THE CHINA WEEKLY REVIEW

密勒氏評論報

A Weekly Newspaper Established In 1917

April 19, 1947

SHIPPING SCANDAL

AN EDITORIAL

Storm Warnings In Japan

By David Conde

"I Accuse"

By Chang Lien-hua

Jap Weapons Used At Hsin Ho

By Major James G. Brady, U.S.M.C.

STUDENT BEHAVIOR

AN EDITORIAL

VOLUME 105 PRICE CNC$2,000 NUMBER 8

Keep rolling with

B.F.Goodrich

FIRST IN RUBBER

Sole Distributors:

THE CHINA MERCANTILE CO., LTD.

P. O. Box 476
97 Yuen Ming Yuen Road Telephone 13312
SHANGHAI

Keep Abreast Of Events... Subscribe To

THE CHINA WEEKLY **REVIEW**

A Weekly Newspaper Established in 1917

The leading English-language weekly in the Orient since 1917. Forthright and independent editorials coupled with a wide variety of articles from noted writers today keep the Review ahead—both in reader-interest and circulation.

Fill in the blank below today.

THE CHINA WEEKLY REVIEW,
160 Chung Cheng Road,
Shanghai, China.

Please enrol me as a subscriber for .....months, for which I am remitting ..... herewith.

Name:.....

Street:.....

City:.....

(See subscription rates adjoining index)

PAL MAKES PALS OF PASSENGERS

All through passengers to the United States are guests of Philippine Air Lines when their big 4-engine Skymasters make a three-hour pause in Manila for re-fuelling and a careful check-up. A tour of the city, "Pearl of the Orient," with dinner at the world-famous Manila Hotel as the guest of PAL, will make a pleasant break in your journey from Shanghai to San Francisco

via

Philippine Air Lines

Incorporated

Arriving in Manila on Tuesday, you can even stop over in the Islands for three nights, continuing your trans-pacific journey aboard the PAL Skymaster which leaves Manila every Friday. PAL will gladly make arrangements for hotel accommodations to suit your tastes and your purse.

NEXT FLIGHTS ON OR ABOUT APRIL 22nd, 29th & MAY 6th

For Bookings Contact

William Hunt & Co.
Fed. Inc. U.S.A.
53 Foochow Road Tel. 18696

China Travel Service
420 Szechuen Road Tel. 13450

William Hunt & Co. maintains a staff of experts in every major field of engineering. These experts are available to you for consultation on your present projects or your future plans.

No matter what type of enterprise you have in mind—construction of a textile mill, expansion of a processing works, installation of a power plant, retooling of a factory—you will find that William Hunt & Co. can supply not only the machinery and equipment, but the all-important technical "know-how" to meet your problems.

●

WILLIAM HUNT & COMPANY

Federal Inc. U.S.A.

53 Foochow Road Shanghai

Cable Address: WILHUNT

IMPORTANT ANNOUNCEMENT

"via CGRA/RCA"

WORLD-WIDE RADIO COMMUNICATION SERVICE NOW VASTLY IMPROVED WITH

RADIO TELETYPE

RCA COMMUNICATIONS, INC., takes pleasure and pride in announcing that, in conjunction with the CHINESE GOVERNMENT RADIO ADMINISTRATION, Shanghai has now taken its rightful place with San Francisco, Manila, New York, Montreal, Rio de Janeiro, London, Berne, Vienna, Stockholm, Moscow and other world cultural and trade centers in the use of the ultimate in radio communication.

RADIO TELETYPE

The RADIO TELETYPE will be used to increase the circuit capacities of the Shanghai/San Francisco circuits by complementing the long-established Morse radio-telegraph circuits.

The United States Army and Navy use precisely this type of communication in their vast domestic and international networks.

During the war years, Lt. Col. Thompson H. Mitchell did much to correlate the systems which embrace the RADIO TELETYPE and it is only to be expected that when he returned to the Executive Vice-Presidency of RCA Communications, Inc., he should reorganize RCA's far-flung circuits, utilizing this proved system and advocating its use by connecting administrations abroad.

You are invited to take advantage of this major technological development by marking your radiograms, either by typewriter or by hand:

Via CGRA/RCA

RCA Communications, Inc.

A Service of Radio Corporation of America

(Cooperating with the Chinese Government Radio Administration)

Sassoon Arcade, Nanking Road, Telephone 12558

LETTERS From The People

Comments from readers on current topics are cordially invited: their opinions, however, do not necessarily represent the views of The China Weekly Review.

Butchers' Paradise

To The Editor:

I read carefully your two detailed reports on the Taiwan riots, published recently in the *Review*. As you are the first to report these riots in any detail (even the Chinese papers translated your articles), this is further evidence of your friendly concern over our country. As an eyewitness also, I wish to write a few lines which may be of interest to you and your readers.

Taiwan became a butchers' paradise for about 20 days. Everywhere throughout the island the crack of the pistol and the rat-tat-tat of the machine gun reverberated. It ironically depicted the much boasted testing ground of the KMT. One dares not begin to wonder whether the Taiwan riots mean that the policy of the KMT is being wrongly prosecuted, or whether they betray the incapability of the KMT to reign over China.

However, the KMT is a Chinese organ, and every failure on its part inevitably means that the Chinese people must pay dearly in the end. We sincerely urge the loyal members of the KMT to reconsider their policy and make this an occasion to purge all the "rotten elements" hidden in their camp. Then the KMT will cease to be a headache and will attract many ambitious young men, both Formosan and Chinese.

To insure the welfare of the great majority of people the nationalization of important enterprises is the wisest policy to follow. If the majority of Taiwanese really benefitted from a nationalization policy, and only a handful of rich merchants become embittered, then ignore the latter group and pursue the policy.

But the wrong course has been followed in Taiwan, and we must check the prosecution of our policy. Any officials found guilty of abuse or corruption, must be wiped out instantly. Allegedly, during the riots, many rich Taiwanese merchants in Taipei contributed a large sum of money to hire groups of rascals to knock down mainlanders, including women and children. It is apparent that these merchants have done their best to keep the ball of agitation rolling, so they should not be considered if our policy benefits the majority of Taiwanese.

I would quote the following passage from your article of April 5: "The troops, drawn from the uneducated peasant and coolie classes in China, appeared as ruffians to the literate Taiwanese. The troops also brought the dirt and filth of the mainland with them."

Most of the Taiwanese "literate" youth, conscripted by Japan to fight the Allied nations on fronts down South, naturally look down on their once beaten brethren, the Chinese National Army.

Some of the "literate" Taiwanese had been in the Japanese Army in China during the last Sino-Jap war, killing their brethren under the supervision of Japs. Of course, we cannot blame them for doing this, for, as you pointed out, after 51 years of occupation not one Taiwanese could be classed as a collaborator. During the February 28th Incident, these "literate" people not only tried to disarm the National Army, but also slaughtered them ruthlessly. They even sneered at the National Army for not using guns, while the Army was under strict orders to refrain from shooting.

THE CHINA WEEKLY REVIEW

160 Chung Cheng Road (E.)
Cable Address: "Reviewing"
SHANGHAI Tel. 14772

SUBSCRIPTION RATES:

	3 mons. CNC$	*6 mons.* CNC$	*1 year* CNC$
Shanghai & China Outports	25,000	50,000	100,000
China Outports (airmail)	33,000	65,000	130,000
Hongkong	30,000	60,000	120,000
Hongkong (airmail)	38,000	76,000	152,000
U. S. A. & other foreign countries	—	US$5.00	US$9.00

THE CHINA WEEKLY REVIEW

J. B. Powell
(Editor & Publisher, 1918-1947)

John W. Powell, *Editor & Publisher*

Assistant Editors

Marion Barney
Urii Sdobnikov
Elizabeth Purcell
Fang Fu-an, *Financial Editor*

Contributing Editors

Lin Wo-chiang
Charles J. Canning
C. Y. W. Meng
Edward Rohrbough
Ben Y. Lee
Leo Rissin
J. R. Kaim
Frank L. Tsao
Tseng Yu-hao, Ph. D.

Correspondents

Wang Dzoong-yen — *Canton*
Mark M. Lu — *Kaifeng*
Duncan Lee — *Honan*
Peter S. W. Wang — *Kunming*
S. E. Shifrin — *Tientsin*
Shen Chien-tu — *Yenan*
Tong Chun-cho — *Chengtu*
Hugh Deane — *Tokyo*
Ngiam Tong Fatt — *Singapore*
James L. Stewart — *Los Angeles*
Joseph P. Lyford — *New York*
C. Y. Hsieh — *London*
Jacques Decaux — *Paris*
Anna Ginsbourg — *Hongkong*

A. L. Meyer, *General Manager*
F. K. Chao, *Business Manager* Chen Pang-cheng, *Circulation Manager*

Index for April 19, 1947

Editorial Paragraphs

A Shipping Scandal 205
Student Behavior 206
UNRRA's Problem 206
Yenan—Turning-Point? 207
Wallace's Speeches 208
Fire Prevention Weak 209

Special Articles

"I Accuse"—*Teacher's Story Of Her Abduction By Kuomintang Agents* *By Chang Lien-hua* 210
Road To Economic Self-Sufficiency Or Highway To Pauperization.... *By T. Y. Koo* 211
Conservative Victory In Japanese Elections Foregone Conclusion..... *By Robert P. Martin* 212
American Correspondent Expelled From Japan.....*By Hugh Deane* 213
Twilight Of Vice:—VII.—Facts & Fancies.....*By Pao Yue* 213
Storm Warnings In Japan .....*By Richard Conde* 214
Jap Weapons Used By Reds In Hsin Ho Raid..*By Major James G. Brady* 216
Tientsin Roundup .....*By S. E. Shifrin* 217
Transportation Plays Important Role In Yunnan..*By Peter S. W. Wang* 218
No Enthusiasm For Treasury Notes, Bonds; Commodities Up..... 219

Departments

Letters From The People 199
25 Years Ago 209
Business Foot-Notes 219
News Of The Week 220
What U.S. Papers Say 222
What Chinese Papers Say 223
Who's Who In China 223
New Books Of Interest 224

PUBLISHED AT 160 CHUNG CHENG ROAD (EASTERN), SHANGHAI, CHINA, BY MILLARD PUBLISHING COMPANY, INCORPORATED UNDER THE LAWS OF THE STATE OF DELAWARE, U.S.A. REGISTERED AT THE CHINESE POST OFFICE AS A NEWSPAPER FOR TRANSMISSION WITH SPECIAL MARKS PRIVILEGES IN CHINA.

Contents of previous issues of The China Weekly Review may be found in the "International Index of Periodicals," copies of which are on file in most standard libraries.

All editorials, text and other material in the weekly issues of the China Weekly Review is copyrighted under certificate of registration 登 No. 9953 issued by the Ministry of Interior of the National Government of the Republic of China.

Chinese soldiers, being simple-minded coolies and peasants, as you say, could not be expected to endure such ill-tempered actions and criticism for long. Besides they saw enough bloodshed of mainlanders on February 28 and March 1. Thousands of mainlanders were beaten and killed. Women were insulted in public. I can assure you of the authenticity of the above account, for many times I was an eyewitness. I shall never forget the barbarous actions of these "literate" Taiwanese for the rest of my life. The Chinese soldiers might have thought that they were avenging not only their lost companions, but also the less fortunate mainlanders who were butchered by the Taiwanese.

Governor Chen Yi may feel that he is being crucified by the civil war. Had there been no civil war, there might have been more troops on the island to nip the rebellion in the bud, and the Central Government might have invested much more capital in stepping up production in Taiwan, insuring a good living to every Taiwanese. There might never have been any Taiwan riots.

Were there not a civil war, the CP and Democratic League elements might have taken part in a coalition government and readjusted the administration policy in Formosa. Furthermore, the people's burden might have been lessened if less food had been requisitioned from Taiwan to carry on the war.

We can see that without the curse of civil war, everything might have been different. The foregoing is not a heap of idle talk, it indicates that the craving need of China today is to put an end to the civil conflict.

The Taiwanese have failed partly because of dissension within their own camp, and partly because they expected too much at a single stroke. Because of dissension they failed to straighten out their differences after repeated meetings, thereby losing precious time. Some Taiwanese big shots on the defunct February 28th Incident Committee, satisfied themselves by occupying important posts, while others aimed at political reform. They argued and quarreled and finally lost all they had gained.

At a time when every regiment was and is required in the full-fledged civil war, the Government dispatched forces to this island after seriously considering the fact that if they accepted all the 32 requests submitted by the Taiwanese, the National Government would lose control of the island completely.

If the Taiwanese had not expected so much at once, and had settled for only mild reforms, probably no troops would have been dispatched, and the Taiwanese would have won. (Here, I do not mean to justify Governor Chen's action in tricking the Taiwanese.)

The police force in Taiwan, especially in Taipei, was extremely unsatisfactory during the Incident. Most of them fled in order to protect themselves, while the police stations were occupied by students for a long time. Foochowlanders who came to this island during the Jap occupation, undertook such humble businesses as barbershops, etc. After V-J Day, most of them became officers in the police force overnight, so one can easily imagine the reaction of the Taiwanese when these officers acted as tyrants or worse.

We are inclined to lay the blame at the door of Governor Chen, but criticism will never help solve the problem. Disregarding our verbal blows, Governor Chen remains silent. We may rationalize our discontent by these fruitless verbal blows, or simply become embittered and regret ever having been born on this continent.

We must face reality. We must analyze this disaster further, and find a way to prevent the further occurrence of any such riots. In order to further discussion and clarification of the Taiwan Riots, I have written down my personal views on the disaster.

AN EYEWITNESS.

Shanghai,
April 12, 1947.

Mandate For Taiwan

To The Editor:

The article on Taiwan Island's Blood Bath was headlined on the front pages of Hongkong's daily papers before the arrival of your *Review* of March 29, in which it appeared. The article was transmitted by leading news agencies and it was accepted by those familiar with the Formosan situation as accurate.

For months Hongkongites were informed of the misrule and despotism practiced by Governor Chen Yi's provincials from Chekiang and Kiangsu. In addition, leading collaborators in South China, led by the most notorious anti-Anglo-American Chief of Central District Bureau of Hongkong under Isogai and Tanaka, were employed by Governor Chen in Taiwan.

Most Formosans I have talked to, agreed with Mr. Powell that the island should be managed as a United Nations' Mandate. In fact some Formosan Democrats here were openly for the mandate system. Due to the fact that China's Democratic League now works hand in hand with the Communists, the Taiwan Democratic League has not dared advocate the UN proposition, as it was thought America, not Russia, would get control. Non-partisans are unanimous in thinking that so long as the Gestapo and pro-Japanese elements like Governor Chen Yi remain, the alienation of the island would be the best remedy.

Governor Chen Yi belongs to the so-called Political Science Clique whose

UNITED STATES LINES CO.

Announces

THE INAUGURATION OF A DRY-CARGO AND REFRIGERATOR SERVICE BETWEEN SHANGHAI AND UNITED STATES

Pacific and Atlantic Ports.

REGULAR AND FREQUENT SERVICE OF FAST, MODERN VESSELS WILL BE ANNOUNCED.

United States Lines Company
GENERAL AGENTS

American Pioneer Line (Atlantic)

Pacific Far East Line (Pacific)

17 THE BUND, SHANGHAI

Telephone 15067-9 - - Cable Address-Seapostes

members have been most successful at job-hunting and job-holding enterprises all these years. It is hoped, therefore, that with the publication of Mr. Powell's investigation, Washington and Wall Street can be disillusioned by the propaganda that members of the Political Science Clique are the "liberals" and "democrats" of China.

When the warlords were powerful, members of the Political Science Clique were the best tools of the warlords in oppressing popular demands. Marshal Tuan Chi-jui's massacre of students was initiated by his minister of education, a member of the Political Science Clique. Members of the same Clique were opposed to the revolutionary career of Dr. Sun Yat-sen. When the Japanese were strong, the Political Science Clique was known as a pro-Japanese clique.

Governor Chen Yi is perhaps the best of the Political Science Clique, inasmuch as he is more consistent in his pro-Japanese policy and sentiment. Yet he has proved to be one of our most terroristic butchers.

How did you, Mr. Editor and fellow Americans, get the impression that members of the Political Science Clique are liberals and democrats? Would you like to see all 400,000,000 poor Chinese bathed in blood like the few million Taiwanese? For God's sake, tell President Truman and his Republican friends to stop making a slaughter house of China by supporting a Political Science Clique government for the whole country.

LI KUAN-KWEI.

Kowloon,
April 3, 1947.

Wolf In Sheep's....

To The Editor:

I was astonished beyond measure at the news that even in this democratic world eight periodicals have recently been banned. This order was sent out secretly by the authorities on March 7 to every bookstore. This move is considered by some to be the result of a clean-up movement within the Kuomintang.

It is a traditional policy with the KMT: they promise to give the people freedom of speech and freedom of the press outwardly, but actually fulfill neither of these promises. The fables about "a wolf in sheep's clothing" and "one who displays a sheep's head but sells dog's meat," adequately express the methods of the KMT.

To earn the respect instead of the contempt of others, one must first of all act in an upright and reasonable manner. The Government would do well to remember the famous motto of Missouri: "*Salus populi suprema lex este*," and consider the welfare of the people, especially their individual freedom. Otherwise, a continuation of its present suicidal policy will undoubtedly result in failure and collapse.

ISABILLA MONG.

Tsinan, Shantung,
April 8, 1947.

"Armed Class" Again

To The Editor:

Recent developments witnessed in this city have brought about a state of outrageous upheaval. One afternoon recently, eight students of Tung Chi University in this city were assaulted by soldiers of the 3rd Battalion of the 2nd Ammunition Division. The attack was due to an illegal attempt by the soldiers to board the university bus, which at the time was crowded to its utmost capacity with students.

Furiously angry, the soldiers lost no time in returning to their camp and getting an army car bearing the number 02706, in which they chased the bus, with a view to creating mischief. No sooner

555

The "555" clock respects no position: it will work at any angle. No matter how the minute-hand is shifted, you will soon find it perfectly adjusted.

Manufacturers:

China Clock & Watch Works, Ltd.

980 ZIKAWEI ROAD, SHANGHAI TELEPHONE 70350

中央航空公司

CENTRAL AIR TRANSPORT CORPORATION

Regular plane service to the following points, carrying Passengers . . . Mail . . . and Cargo.

Nanking	Tsingtao
Hankow	Tsinan
Chungking	Peiping
Kunming	Shihchiachwang
Sian	Amoy
Lanchow	Canton
Suchow	Hongkong
Tihwa	Bangkok

For Particulars, Please Apply to

Ground Floor, Astor House Hotel Bldg.,
2 Ta Ming Road, Shanghai

Telephones 40499 & 42255

had they stopped the university bus than the onslaught took place.

In spite of the new-born Constitution these soldiers did not hesitate to perform various atrocities and persecute unarmed common people. Wielding the national war spoils in their hands, they never show the slightest sense of responsibility. Instead, they resort to violence and misuse their weapons in utter defiance of the new constitution. It seems that assaulting law-abiding citizens is their specialty.

The appalling thing is that after the clash, these culprits declared a state of emergency and put both the Jurisprudence College and the Preparatory College of this University under their control. Every one of the administrative functionaries and students who wishes to enter either of these institutions is subject to examination by these troops.

Righteous indignation throughout the university has risen to its highest pitch, and joint action has been taken resulting in a strike to end such a shameful violation of human rights.

From a realistic point of view, these atrocious actions indicate that the future of China is very gloomy, and the fact that these soldiers are efficient only in persecuting unarmed people is additional proof of the deplorable lack of discipline among the soldiers in this country. They have the preposterous idea that they belong to an armed class, and because of this complex they think they have the right to do whatever they please.

That is the reason they always impose these wanton restrictions on the common people in their characteristic manner. Though they have abused their power and transgressed the law in committing an illegal assault, they seem to be praised by those in command. It is no wonder that they are supposed to have performed these brutal assaults on unarmed people at the behest of their superiors.

This kind of rowdyism is so illegal and so brutal, that the authorities should not fail, for the sake of law and the new Constitution, to take action and see that the culprits are fittingly punished.

EUGEN HWO,
Professor, Tung Chi University.

Shanghai,
April 13, 1947.

Needed Voice

To The Editor:

During these days of stringency and hardship, one cannot easily spare even the little sum of CNC$50,000 for a half year's subscription to the *Review*. The news carried in the *Review* is necessarily belated and somewhat out of date. It seems needless to have a weekly magazine when there are so many daily newspapers to read.

But I am unwilling to part with the *Review* which has so punctually come to my office every Saturday for the last many months. The opinions and comments expressed therein are always valuable and interesting to me, and the "Letters from the People" are especially so.

The greatest need for China today is to listen to the genuine voice of the people. The authorities are in real danger if they continue to ignore the wishes of the people and work only for their own selfish ends. Their strong armed force may back them up for a while, but the time will inevitably come when the people's will must triumph.

Thanks are due to the *Review* for placing before us letters from readers of all provinces in China. When reading these letters one is no longer pessimistic; one feels that before very long the cause of freedom and democracy will prevail in China!

I am sending you the necessary payment with which to renew my subscription for another six months.

Shanghai, F. D. Z.
April 5, 1947.

THE NATIONAL CITY BANK OF NEW YORK

The National City Bank

OF NEW YORK

ESTABLISHED 1812

SHANGHAI BRANCH: 41 KIUKIANG ROAD

TELEPHONE: 11500

CONNELL BROS. CO., LTD.

Established 1898

Importers & Exporters

149 Szechuen Road, Shanghai Tels. 16833-2-1

Head Office: **San Francisco**

Branches:

New York Bombay Tientsin

Affiliated Companies:

CONNELL BROS. CO. (HONGKONG) LTD.
Hongkong and Saigon

CONNELL BROS. CO. (MALAYA) LTD.
Singapore and Penang

CONNELL BROS. CO. (PHILIPPINES)
Manila, Cebu and Iloilo

Banknotes & Prices

To The Editor:

Allow me to take up a little space in the *Review* to inform the public how a staunch believer in government price stabilization promulgations has been fooled by the government.

Ever since the Sino-Japanese war and especially since V-J Day, commodity prices have been climbing. Those who keep banknotes or lend out at a so-called exorbitant rate of interest suffer in the end, while those who hoard commodities always maintain their banknote value on practically the same level as commodities.

Recent instances show how government stabilization promulgations and official assertions have deceived staunch believers in government literary compositions. Towards the end of last year, rumors were constantly circulated to the effect that big denomination notes would be on the market soon, but government spokesmen warned the public not to believe these wild rumors. Within a comparatively short space of time, prices went up several hundred percent.

A week ago, when I read in the papers that some 300 cases of newly printed large denomination notes had arrived in Shanghai from abroad, I knew prices would skyrocket again. But to my dismay, government officials again asserted that these notes were not to be put into circulation.

From these two recent instances, even a fool should have learned a lesson from government officials. They should not try to fool all of the people all of the time. Still they keep a straight face and will probably give more false statements as time goes on. They know no shame.

According to our ancient teachings, confidence in the government is of paramount importance. How can the government win the support of the people while its officials are lying every day?

CHU LIANG-ON.

Shanghai,
April 12, 1947.

Freedom A Farce

To The Editor:

It is incredible but true that in Tsingtao, no liberal Chinese newspaper, such as the *Wen Wei Pao*, is obtainable. The success of the so-called non-partisan *Ta Kung Pao* is attributed to the establishment of its distribution offices here with the permission of local authorities. Personally, the writer would rather read the *Review*, notwithstanding the abnormality of its delivery.

The last issue to be received here, dated March 1, was one month late. I do not know whether the delay is caused by the procrastination of your staff, or by discrimination on the part of your entrusted deliverers. I mention this only for the benefit of the *Review*, because unless the defect in question is rectified the confidence of your readers will be unfavorably influenced.

Anyone living in Tsingtao since V-J Day regrets the lack of culture in this city. It is said that the newspapers are our daily mental bread. But, unfortunately, I fail to appreciate the local papers because they are mostly mouthpieces of the KMT, propagandizing the necessity for civil strife, and overlooking the sufferings and aspirations of the people.

The freedom of the press in this country is but a farce, repeatedly playing on the lips of despotic rulers, particularly to impress alien notables and tourists.

Some maintain that the democratization of China will never be attained until the younger generation gains predominance over the present dogged reactionaries.

Such is the paradox prevailing nowadays in the minds of every young person in this war-prostrated country. You will quite understand then, how ardent and impatient we are and how we look to you to cheer our sullen and somewhat resigned hearts.

A ZEALOUS READER.

Tsingtao, Shantung,
April 1, 1947.

Red World Pictured!

To The Editor:

Kindly permit me to use a few lines of your valuable space to say a few unkind, but nonetheless true, words about Communism. What is Communism? It was thought to be the nationalization of women and babies, regimentation of labor and brain, capital and productive powers, including sex, and materials, spiritual and cultural.

But now we learn that it is not so. In essence, it is to incite trouble between capital and labor; create "incidents" and intrigues for "sphere of influence"; as political writers would say, "fish in troubled waters;" instigate the "mad dogs" (not under-dogs) of society to bite all and sundry so that social rabies could scourge human kind; create dissatisfaction among the classes so that they would spend their time and energy fighting, parading, demonstrating, striking, and talking, instead of endeavoring to increase production for the benefit of all, especially themselves.

Attacking established society and social systems, what has Communism to offer? In theory, the moon and the stars. In reality? Freedom of the press, of individual movement, of religious beliefs, of political activity, or of work? Or any other freedom? Hitler said: "All for the State." Hitler wanted whole nations to become Nazified. Communism wants all nations to be Bolshevized. Nazism and Communism joined hands in glee when China was being ravaged and raped by Hirohito's warlords, and Europe and Britain groaned under Nazi bombs and U-boats.

It was ironical that Democracy had to save Communism from Nazi onslaughts. With victory won, Communism has turned out to be an ungrateful comrade. Communism is coming out to bid for world power and domination by fair means or foul. Against Jingoism the answer was the atom bomb. Against Communism—what?

Communism must not spread, because it would only show one side of a political picture. Arbitration would be gone forever; there would be only decisions and orders. There would be no strikes, there would only be mutiny. There need be no lawyers, and legal proceedings if any, would be brief. Decisions would be handed down as fast as charges were made. There would be no "Black Market", because this is tolerated only in democratic countries. There would be no price control or bargaining, because one would be dealing with Red Tape.

CNAC NEW DC-4 SERVICE

WEEKLY FLIGHT TO MANILA

Leaving SHANGHAI every THURSDAY

Direct connection with PAA's MANILA-SAN FRANCISCO flights. Through bookings to the United States are now available.

TARIFF

SHANGHAI—MANILA	CNC$2,280,000
HONGKONG—MANILA	HK$380
MANILA—SHANGHAI	US$190
MANILA—HONGKONG	US$ 95
MANILA—SAN FRANCISCO	US$726

For Bookings, please apply to:

China National Aviation Corporation

Shanghai Booking Office

8 Sassoon House

20 Nanking Road (East) Telephone 15757

As for you, Mr. Editor, you would be relegated to a mere newspaper boy, shouting the headlines that had been handed to you. The ferries would run according to schedule because they would be part of the navy. The busses would run without fail, because they would be part of the army, and there would be Lieutenants instead of conductors. You need not complain of high rent because the State will be taking care of you from the day you open your innocent little eyes.

The State will take you through various drillings, of labor, of thoughts, of physiques, in fact everything. Yes, the State will take care of you, like your own shadow of Death. Believe me, that is Communism.

DEMOCRAT.

Macao,
April 5, 1947.

Too Emotional!

To The Editor:

Following Chen Tze-kiang's letter which appeared in the March 29th issue of the *Review*, in which he endeavored to "teach" Mr. Lam On-pong how to conduct himself as an educated man, I must take up your valued space to rectify Chen's emotional temperament. Please note that I am not Mr. Lam under an assumed name!

In my 30 years of teaching in more than 20 local colleges and middle schools, I know for a certainty that no really good students have been or are agitators, paraders and mobsters. None of these latter students have successful careers.

Chen obviously considers himself and his henchmen as heroes of a political campaign against Americans in order to receive a "dole" of some sort. Luckily China has not many students of Chen's type. Chen's mind must be abnormal since he admits he could not study when he heard that a schoolmate was raped. If every student's mind were like his, there would be very few students in China today. If Chen were an American there would probably be no Chinese in America today.

Many Americans witness crimes and vices in "Chinatown," concentrate their hatred against Chinese, and agitate against Chinese immigration to the United States. But American statesmen and intelligentsia do not take this attitude; they are broadminded and know that a few isolated instances of crime should not involve a whole race or country.

American army and navy personnel came to China at the invitation of our Government. American marines are not gods. In some instances, marines in Japan even murdered their own nationals. They are young, and have uncontrollable passions somewhat different to China's, and they are liable to commit mischief in a foreign land. But whatever crimes they commit, they are punished according to law, and that is the end. Why should Chen still walla-walla?

Chen thinks nobody is so patriotic, educated, public spirited and brilliant as he. With a handfull of henchmen he can temper the Chinese mind and China's destiny. I hereby advise Chen to rectify his thinking, or before long he will commit some disastrous act and injure himself as well as China.

I have read Mr. Lam's article with care, and find that his ideas are right in principle, but I do not agree with all his opinions. Chen's language is too fiery, too pseudo-patriotic, too barbarously emotional for us *Review* readers.

LEE YEE-YUEN.

Shanghai,
April 13, 1947.

"Liberal-Leftist"

To The Editor:

I was a reader of your *Review* a short time ago, and I am not sorry to admit that the time spent in reading each copy was very valuable. As a poor employee of the government I will be your supporter as fervently in the future as I have been in the past.

Dear editor, will you excuse me from renewing my subscription to the *Review*? I write this letter to tell you that it is because of my empty pocket, not because of my will, that I am unable to continue subscribing to the *Review*. My wish is to be a reader as long as I live.

Now may I inquire what you mean by "liberal-leftist" and "independent," which you have called the Chinese papers *Wen Wei Pao* and *Ta Kung Pao* respectively? A few months ago you called the *Wen Wei Pao* a liberal paper, and now you see it from a different point of view. I understand what the words mean, of course, but by "liberal-leftist" do you mean more radical? Have you changed your viewpoint or is it the paper that has changed?

P. C. SUN.

Nanking,
April 11, 1947.

(Editor's Note: The Ta Kung Pao has been customarily called "independent" for maintaining just such a position in certain matters both of domestic and foreign policy and for not having blindly followed prescribed policies, as many local Chinese papers have done so conspicuously. Actually, the paper is connected with the Political Science Group.

Not only political parties evolve as time goes by, but newspapers also. If the Wen Wei Pao could be called simply a liberal paper directly after V-J Day and in PCC days without any adulteration of the truth, its present editorial stand, in the face of the general rightist tendency in China politics, earns it a slightly corrected evaluation which is best expressed as "liberal-leftist." At the same time, it would be safe to call the present Ta Kung Pao a "liberal" journal.)

大通銀行

THE CHASE BANK

Affiliated With

THE CHASE NATIONAL BANK

OF THE CITY OF NEW YORK

Shanghai Office:

99 Nanking Road Telephone 11440

Branches:

HONGKONG ◁▷ TIENTSIN ◁▷ PARIS

THE CHINA WEEKLY REVIEW
密勒氏評論報
A Weekly Newspaper Established in 1917

The editorial pages present each week the opinions of the editor. The other pages of The China Weekly Review are written by the other members of the staff and the contributing editors who report and interpret the news irrespective of the views expressed in the editorials.

Vol. 105 Shanghai, Saturday, April 19, 1947 No. 8

A Shipping Scandal

AS a result of some fast dealing with the American Foreign Liquidation Commission last year, a will-o'-the-wisp Chinese firm purchased several surplus ships in Manila. The company's representatives went to Manila, hired an office staff to provision the ships and recruit crews. Today, nearly a year later, one American captain of three of the ships and their 45 Filipino crew members are stranded in Shanghai without funds. They have not been paid for services rendered since last August when they were hired, nor has transportation back to the Philippines been forthcoming.

The shipping firm which acted as broker for the purchase and delivery of the LCTs is named as the China Coastal Lines of Shanghai. Their representative who handled the deal in Manila is said to be named Boris Oleinikoff, a Russian broker who resides in Shanghai. Oleinikoff, according to a representative of the stranded seamen, hired the crews in Manila, got the ships provisioned and then returned to Shanghai, failing to pay the salaries of his Manila staff. The ships, the motorships Amoy, Chung Hwa and Nanking, arrived in Shanghai on January 5, 1947. Since then the crew members have been attempting to get their pay and their passage back to Manila. A fourth FLC ship bought at the same time was sold by the purchasers at Hongkong, its master being repatriated. Its crew, unpaid, was absorbed by the three other ships and came on to Shanghai.

Throughout the past winter here they were never paid and were left upon the vessels to shift for themselves. One Filipino seaman has since died, while another, who was taken ill some time ago, has spent the last two months in a local hospital which will not release him until his medical bill is paid.

During the past several months the crews have engaged in fruitless discussions with the various Chinese companies involved. The China Coastal Lines is reported to have declined to make payment upon the grounds that they have sold some of the ships and the new owners should pay. Oleinikoff, who is supposed to have hired the crews, claimed that it was not his responsibility and that someone else should pay. This fine example of the "run-around" has been going on until the seamen are virtually destitute.

A couple of weeks ago Capt. George Pusins, master of the m.s. Amoy, with the aid of the American Consulate-General, succeeded in extracting back pay from the Actural purchaser and present owner, a smaller Chinese company—but only for this one ship. However, the money was paid here in Chinese National Currency so it can be used only for expenses in China. Government law forbids the men to take more than CNC$500,-000 apiece with them if they leave China. Further, no steamship company will accept CNC as payment for a passage out of China.

Appeals to the Central Bank of China for foreign exchange drafts were refused with the excuse that since the bank was not involved in the granting of the original funds for the purchase of the ships and thereby knew nothing about the deal they could not now become involved. The bank even suggested that since the shipping firm must have found its own private exchange for the original purchase, it should now find it for the crews' salaries and return passage. As a matter of fact, the vessels were paid for here, the money being delivered to the local office of the Foreign Liquidation Commission.

At the present time it is understood that the Chinese firms involved are bargaining with the crews of the remaining ships, agreeing to pay them half of the salary due. Meanwhile, the crew of the Amoy has been removed from the ship and billeted in a local Chinese hotel. Subsistence was paid for one week and for the past week the crew has not been able to pay its hotel bills or purchase food as the hotel now refuses to grant further credit.

It is understood that the Manila press has been making much of this case, calling it "another example" of the bad faith of Chinese firms and the Chinese Government. The crews here have exchanged letters with Philippine President Manuel Roxas, who has promised to take the matter up with the proper Philippine and Chinese authorities.

In the meantime the Filipino crews are stranded penniless in Shanghai with no sign of immediate relief.

It is in such cases as this that the Chinese Government should take a hand. At the very least, it is an example of confusion and questionable business dealings. At the most it is an outright fraud. In any event it is going to increase the fund of ill-will China is rapidly building up abroad. If nothing is done now to settle the matter, it will eventually reach the Government through the Ministry of Foreign Affairs and will then *have* to be settled.

Meanwhile, Philippine authorities will continue to cite it as another example of why their nationals cannot trade peacefully and honorably with Chinese nationals. The present time—a time when China is negotiating with the various nations of Asia for increased privileges for Overseas Chinese, including permission for larger foreign currency remittances to China—is not the most auspicious one for the Government to neglect such "local" international problems.

Student Behavior

IN the past we have often commented upon student activities and, usually, have deplored the acts of those who have tried to intimidate the students or use them as unknowing tools. By and large we think China's students are mistreated and misunderstood by the authorities. If there is any group at all in which hope for the future might be placed, it is certainly the students.

However, on infrequent occasions we have felt that the students have jumped the track, have gone off half-cocked or, because of their lack of complete information, have engaged in activities which did not reflect credit upon those involved and upon China's students as a whole. The present case, involving the killing of a student by a truck belonging to the American-owned Texas Company, threatens to be such a case.

According to local press reports, one of the Texas Company's trucks on April 4 struck and killed Chia Chih-pao, a 27-year-old student of the National Chiaotung University. Discussions regarding the case have been in progress since the incident and on April 14, when two representatives of the oil company went to the university to discuss settling the matter as amicably as possible, they were set upon by a group of students who dragged them into a room and told them that they would be held until the oil company "paid off" sufficiently to satisfy the student body. It required the intervention of Mayor K. C. Wu and a representative of the Woosung-Shanghai Garrison Headquarters to effect the release of the representatives.

The students of Chiaotung University are reported to have demanded that The Texas Company pay the family of the deceased CNC$1,000,000 per month until 1970. While such a settlement seems rather ridiculous and further seems to require a rather large sum, it is not our purpose here to debate the merits of the demands. We would merely like to point out to the students that in the absence of a court decision, it would appear that they are taking undue liberty in assuming that the Texas Company is responsible for any damages. This is particularly true in Shanghai where certainly the vast majority of traffic accidents involving vehicles and pedestrians are the direct fault of the latter.

In a subsequent meeting between representatives of the student body, officials of The Texas Company and Mayor K. C. Wu, the oil firm agreed to pay CNC$50,000,000 for the funeral expenses of Chia. One interesting angle is that the students insisted that the money be turned over to the president of Chiaotung University and to the school's lawyer, although the deceased's relatives—who presumably will bear the burden of the funeral — were present when the settlement was effected.

Unless the students, and the Chiaotung authorities, wish to lay themselves open to suspicion, they will shortly make a public accounting of their administration of the funds.

Although CNC$50,000,000 is probably the largest sum ever paid for the funeral of a traffic accident victim, the students have served notice that they are not satisfied and that they retain the right to press legal charges — both criminal and civil—against the company.

Another point which would appear to reflect upon the purity of the student's motives is that they waited until the company's legal representatives—a Chinese and an American lawyer—visited their campus before taking forceful action. Why was not this animosity shown toward the driver of the truck? Was it because he, being merely a local employee of the company, was thought not to possess extensive personal funds and was therefore not worth shaking down? Or could it be possible that the students waited until the first foreigner to become involved in the negotiations—the American lawyer—fell into their hands?

In this connection it might be pointed out that the Chinese police authorities saw fit to release on bail the Chinese driver of the truck within one day.

In any event the story does not make pretty reading, nor does it indicate either a mature or a reasonable attitude on the part of the students. There are legal methods of handling such cases and there is no excuse for such high-handed, extra-legal actions. The mere fact that the company voluntarily entered into negotiations with the school authorities and student body—even before there is any legal evidence that the company is at fault—indicates a spirit of sympathy and a desire for conciliation upon the part of the company.

As long as China's students plan to continue to agitate for political reform (and we sincerely hope they will), they must behave in as adult a fashion as they can. Otherwise they will lay themselves open to charges of immaturity and irresponsibility. If they become embroiled in ill-advised affairs such as the present one, their reputation as a group will suffer.

As long as political and economic disintegration continues, and as long as selfish leaders of the right and left continue to prolong a civil war which can only bring ruin to the country, there are fewer and fewer reasons for optimism. China's students are one of a very few groups that may hold some hope for the future. At this time it is especially important that the students make every effort to avoid pitfalls which may discredit them in the public eye.

Things To Come

ADMIRAL Ellis M. Zacharias, USN, Retired, says, according to *AP*, that if a war between Russia and America should occur in the future, there will probably be "civil wars in China, France, Italy and Spain."

China apparently doesn't plan to be caught napping on this one.

UNRRA's Problem

THE latest UNRRA problem, the problem of shipping supplies to Communist areas and to Nationalist areas in the north which border upon Communist areas, has caused considerable discussion in UNRRA-CNRRA circles and, so far, no public announcement has been made.

However, it is reliably reported that the present plan calls for the discontinuance of all relief and rehabilitation shipments to areas north of the Huai River. The decision was reportedly reached after a survey of the effectiveness of supplies previously shipped to areas north of this line. Nationalist planes have been so effective in their attacks upon Communist territory that the Reds are said to have gained but little from shipments of equipment. Most recent incident was the bombing of the Wan Sheng, an UNRRA LST operated by CWT which was unloading supplies at Shihlipupu!

In Nationalist areas bordering the Communists, the destruction of UNRRA supplies such as railroad equipment has been vast. It is reported that the Nationalists have set up more telephone poles in North China since the end of the war than existed in all of China before the Japanese invasion. Night raids by Communist guerrillas make it almost impossible to keep any up. Much the same situation prevails in the case of railroad ties.

In addition to the apparent uselessness of shipping supplies into war areas where their effectiveness is almost totally lost because of fighting, there has been considerable loss of personnel. A few have been killed, while several have been wounded by both KMT and Red troops. It is difficult to continue to expose UNRRA, or for that matter CNRRA employees to such personal danger.

Because of these considerations, UNRRA has decided to concentrate what remains of its program in areas south of the Huai River. The present impasse is over the question of whether to reduce China's allotment proportionately on the basis of the percentage of population cut off from aid. CNRRA naturally is opposed to such a move, while some of the Allied members of the UNRRA advisory council for the Far East desire to reduce China's allotment so as to increase shipments to other needy nations. Although no definite information has been released officially, it is reported that the British representative favors cutting China's allotment, while the American representative on the council is holding out for no reduction.

It is evident that such a question can be argued endlessly, with each individual or government taking the side of the question which he feels will be of most benefit to his national interests.

The basic problem is that it is becoming almost impossible for neutral outsiders to operate in areas of China affected by civil war. Up until now neutrals, especially Americans, have been able to pass through war areas and even to cross the lines with fair safety and not too much discomfort. The situation is changing as the war becomes more intense and widespread.

This fact poses the question of whether or not the time has arrived for the world to recognize that an all-out civil war exists in China which is likely only to be ended through the victory of one side or the other. For the first time in many, many years there is no attempt by either side to maintain contact with the other. There are no official, or unofficial delegations in each other's territory or in some neutral spot.

So far as the rest of the world is concerned, China's civil war has been considered as a rebellion against the legally-constituted government which is recognized by other nations. Viewed in this light, it has been easier to justify the direct and indirect aid extended to the Nationalists.

If a state of civil war were recognized, what would the situation be? How would it affect the China policy of America and the other foreign nations? If, as in the Spanish Civil War, the rest of the world agreed to provide aid on a cash and carry basis, the result would probably be disastrous, with the Nationalists able to acquire materials from the West, while the Communists might haul stuff overland from Russia. The international implications of such a situation are obvious.

In any event it seems that the time has come when we must admit that there is virtually no hope of foreigners settling the war by negotiation. It must now be settled by the Chinese themselves and, at this point, it appears that the only settlement in sight is a military one.

Draining The Nation's Wealth

LATEST press reports from the Nanking currency front say that the Government has decided to double the amount of National Currency a traveler may take with him when leaving the country. He can now take CNC$500,000, but if he gets official permission he may take even more.

Since a shortage of currency is not—according to well-informed sources—the main difficulty, we would suggest that the Ministry of Finance take a different tack, unloading as much as possible on each departee. They might even suggest that each traveler take a million or two as souvenirs.

Yenan---Turning-Point?

THERE is no doubt now that the Communists cannot stand up to the military might of the Nationalist armies when the latter decide to capture any particular objective or force the Red army to evacuate any particular area. The fall of Yenan testifies to that. But equally certain is the fact that no capture of any city, or group of cities, will lead to the collapse of Communism in China. That too is attested by the fall of the former Communist capital.

Nanking's strategists have plucked a feather for their caps in taking Communism's greatest citadel after 13 years of continuous occupation by Mao Tse-tung and his supporters. But the masterly manner in which the Red capital was evacuated—leaving a mere empty shell—and the continued unflinching morale manifest by the Communist troops proves that neither their leaders, nor their supporters all over the country, will give up the fight.

It is therefore practically certain that this is a civil war which will be decided not by military force but by social justice—it is a struggle where the capture of territory is not the decisive factor, but the manner in which captured land is utilized by either faction.

Empty-shelled Yenan itself, from impartial eyewitness accounts, proves the contention that in the backward rural areas of China where the Communist faith has taken root, it is not the theories of government, but the principles

practiced, which determine in which direction popular support will swing. And to a land-hungry peasantry, as is China's, it is the land policy which takes first place.

The Communists have shown that wherever they have established their administration, none waxed fat, but none perished through hunger. They have built the peasantry no imposing buildings, have given them no cloth of gold, nor yet rooted out all social and economic evils. But they have proved, and proved conclusively, that wherever their regime has been set up the peasants were allowed to share the land, were given medical care, and were taught, in great numbers, the mysteries of the written language. That much stands out from the Communist record. Even in the political and economic debris of Yenan that can be seen.

Today the government is confronted with exactly the same problems as confronted the Communists when they took over extensive areas in North China. The Communists, then, had to find a means of winning the support of the peasantry. They found that means in the redistribution of land, and the control of their military forces by the civil authority. The peasantry responded. Today the government faces the same problem—only in a far more acute form.

When the Communists took over, the peasantry had never known proper government by modern administrators. Theirs was a government by despotism—the despotism of the warlords. That made the task of the Communists simpler. Today the government must win the support of a peasantry which has already had a taste of rule more enlightened than that of the warlords.

That is why a mere return to the administrative milestones of a decade ago will not succeed. Neither the same laws in force then, nor the same leaders to enforce them, will spell success for the government. The people "know too much." Even barring the influence of almost a decade of indoctrination and teaching by the Communists, the people have seen with their own eyes a system different from that imposed on North China before the advent of Communism in that area. Simple as are the people, they have begun, in their own fashion, to rationalize their needs, and to see how those were supplied by the different administrations.

The "challenge of Red China" is therefore not so much in its armies, as in the attitude of the people who have lived under Communist rule. It is a challenge which can be met neither by military force nor by mere propaganda. It is a test which can be resolved only on the basis of practical experience—on just laws, fair imposition of taxes, disciplined soldiery and extensive social welfare work. It is a challenge which the government can only answer by showing something better to the people—if it can—not by telling them of future benefits.

Had the government been able to accomplish more for the peasantry than did the Communists during the past two decades, Communism could never have spread over China. But the government is still comparatively well-organized enough, and militarily and economically strong enough, to prove to the people that 1947 is not 1927.

The quickest, and easiest method of undermining the Communists, is to remove the support of the people from the Red leaders—if one can. To accomplish that purpose it is not necessary to defeat their armies on the field, nor even to capture the leaders of that regime. It is even simpler—to prove to the people that the government can better feed them, clothe them, and protect them from the exactions of the military and greedy landlords.

All the territories captured from the Communists become, therefore, virtual laboratories wherein the peasantry can judge the merits of the policies pursued by the government and the Communists. It is the people who will decide the fate not only of the two parties, but of the entire nation.

That is why the real dividing line in China is not the military "no-man's-land." The real dividing line is that which separates the areas where the farmers own their own land, and the areas where they are in fee to the landlords.

If the government can prove to the peasantry that it can provide sufficient land for all, and enough to keep body and soul together, it will have won the civil war without the need for firing another bullet or dropping another bomb.

If not, military campaigns may postpone the final reckoning, may drive the struggle underground—but never end it.

Yenan may be the turning point. But not militarily. It will be the turning point if, within the "model area" which the Communists created, the government can prove that it can do a better job of giving the farmers enough land, and teaching them how to make the best use of it.

The evacuation by the Communists has closed one chapter in Yenan's history. The peasantry in that area—and all over China—will see what the next chapter will show.

Wallace's Speeches

HENRY A. Wallace, former American vice-president under Roosevelt and holder of cabinet posts in both the Roosevelt and Truman administrations, has again caused various members of the American Congress to get up on their hind legs and howl for his head.

What Wallace said is not what we are concerned about at the moment. What we are concerned about is the mental processes of some American congressmen and senators. There is no one who values freedom of speech more than a member of Congress. In either the Senate or House a member can speak his mind completely. He can even make libelous statements about his fellow members, the president, or anyone else. He cannot be held responsible in the American courts for what he says—incorrect or not—on the floor of Congress. Outside of Congress, he has the same privileges of free speech that any other citizen has.

Congressmen, above all other citizens, should think twice before criticizing the propriety of anyone's speaking his mind.

Mr. Wallace is no longer a member of the government. He is merely a private citizen who edits a magazine and he not only has a right, but a duty to say what he thinks, whenever and wherever he wishes.

Fire Prevention Weak

IF it were not for the civil war and the economic crisis, the last few days would certainly have gone down in the history of this city as some sort of "Huge Blaze Week." The civil war conflagration overshadowed local fires, however.

Precisely as with the series of air crashes last Christmas, and shortly thereafter, the competent authorities got busy after the nth blaze and, it is reported, have altered the Inflammable Liquids Code covering the storage of fluids in various types of structures. This action, it is said, was due to the fact that in almost every recent fire liquid fuel of some kind was involved. It is difficult to believe, however, that all the fires were caused by the storage of highly inflammable fuels, as in the case of the burning down of 300 squatters' huts on the Nantao waterfront, or the gutted house in Chapei, or the razed attic on Ningpo Road and a few others.

In the proposed draft of the Inflammable Liquids Code it is said that the following quantities of inflammable liquids will be permitted in each dwelling: one gallon of ether, or sulphur dioxide, or gasoline or acetone; five gallons of alcohol and 25 gallons of kerosene. It is difficult to imagine that any of the 300 squatters living in huts in Nantao would store ether, sulphur dioxide, gasoline, acetone and alcohol. Kerosene would probably be kept for household use, but even under the new regulations 25 gallons are safe for the keeping. And we have never met a squatter who could afford to hoard 25 gallons of kerosene. Thus it is highly improbable that the alteration of the Inflammable Liquids Code will strengthen the pitifully weak fire prevention here.

Moreover, inasmuch as at least three fires reportedly broke out due to the burning of joss paper on the occasion of the Bright and Clear Festival, an Inflammable Joss Paper Code would likewise seem highly desirable.

From observations while resident in this city we have come to know the extremely crowded living conditions that prevail in the areas of Nantao, Chapei and Zikawei—the precise spots where the fires were most disastrous. The simple launching of a "Fire Prevention Week," would help the citizens of these crowded areas very little. It is not a week that has to be launched, but a general policy of inspection of these areas for fire hazards, the erection of more and better water hydrants (a fortnight ago seven fire engines and one hose tender challenged a huge blaze with the aid of only one hydrant—*N.C.D.N.*, April 6, 1947) and, of course, a program for the education of the poorer sections of the population not on how to handle acetone, sulphur dioxide or gasoline, but how to cook "mi fan" without setting the house afire.

Of course, while the measures outlined above are being "enforced" it would be wise to end the civil war, inasmuch as the local press reported that the Communists were the ones who set fire to the China Egg Produce Company godown, which burned for 80 hours.

A report from Nanking said that a Communist named Chang Liang-yung was arrested by the Garrison Headquarters there and that he had admitted the planning of huge conflagrations here and in the capital.

While it is difficult to reconcile these reports of Red arsonists with the statement of V. D. Wong, Chief of the Fire Prevention Section of the local Fire Department, on the hazards of storing large quantities of inflammable liquids "as almost in every recent fire, oils of some kind were involved," still it appears that peace, when it does come to China, including Shanghai, may incidentally help solve the fire hazard situation here.

25 Years Ago In Millard's Review Of The Far East

Religion

April 22, 1922.

The anti-Christian movement in China is growing apace. Little do its promoters realize the eventual seriousness of it. If they do not restrain their enthusiasm they may one day be sorry to find that the movement has become uncontrollable and has brought untold disaster to the country. Rowdyism is bound to creep in, and youthful members of the anti-Christian organization may go too far in their endeavor to force their views upon the people. Interference on the part of non-Christians at a Y.M.C.A. meeting at Shanghai on April 9 indicates the possibility of such a result.

* * *

Fight Imminent

General Chang Tso-lin, Super-Tuchun of Mukden, is sending 40,000 soldiers to Chihli, Shantung, Anhwei and other provinces in addition to 30,000 soldiers who are stationed in the neighborhood of Peking and along the Peking-Mukden Railway, to settle the knotty Cabinet question....The ambition of the Mukden Warlord is to control Chihli, Shantung, Anwei, Kiangsu, Chekiang and Fukien, and to fight General Wu Pei-fu on both ends of the Peking-Hankow Railway until he surrenders or retreats to Shensi.

10 Years Ago In The China Weekly Review

Wool Tops

April 17, 1937.

W. J. Keswick, chairman, presiding at the 16th ordinary annual general meeting of Ewo Mills, Ltd., in Shanghai, stated that China is now the second largest importer of wool tops from Britain, having imported during 1936 no less than 10,000,000 lbs. Canada heads the list with 10,963,000 lbs. How rapidly the woolen industry has developed in this country will be realized, said Mr. Keswick, by looking at the figures for the past few years. In 1933, China's imports of wool tops were nil; in 1934 they were 3,352,000 lbs.; in 1935 they had risen to 4,865,000 lbs. and therefore, at 10,000,000 lbs., they have been more than doubled during the past year.

* * *

Warning

"The Chinese," said Arthur d'Anyers Willis, chairman, speaking at the annual meeting of the Chartered Bank of India, Australia & China in London of April 1, "are a hard-working race, placing great reliance on individual effort and reward. Their social organization rests on the family system. These inborn traits clash with the ideas of state-managed industries and indicate that more efficient management and better results are more likely to be obtained by private enterprise....The Chinese authorities may, before long, realize the fallacies of arguments for state control of industry."

"I ACCUSE!"

By CHANG LIEN-HUA

I AM one of the victims of the "disappearance act" which began early in March, and I hereby appeal to the International Association for the Protection of Human Rights to publicize my case. I wish to expose this criminal act and accuse its perpetrators before my compatriots and all righteous people throughout the world.

I lost my freedom on the night of March 5, 1947. As usual, that day I was giving a lecture at the night school of the YWCA on Markham Road, when the watchman informed me that a man was waiting outside to see me. I left the classroom and was confronted by a stranger with one hand in his coat pocket. He pointed at me with his other hand and asked:

"Are you Miss Chang?"

When I answered in the affirmative, he told me that there was someone outside who wanted to see me. As I followed him to the gate, three husky men caught hold of me, shoved me into a Johnson taxi and drove me to House No. 2, on Avenue du Roi Albert (Shensi Lu).

This is allegedly the office of the Bureau of Investigation and Statistics of the Kuomintang, (the Chun T'ung Chu or KMT's BIS). I don't know exactly what the business of this outfit is, but I realized that I was being held a prisoner and questioned by a dark and slender man.

"What is your name?" he began.

I was surprised that these people had arrested me without even knowing my name. However, rather sullenly, I tell him:

"Chang Lien-hua."

"Is Chang Li your alias?"

"I have never had a second name," I reply indignantly.

"Do you know Chang Li, in that case?" he continues calmly.

"No," I shout, losing my temper.

Then follows a series of questions, which include the name of the school I was graduated from, the kind of lessons I taught at the YWCA night school, the sort of newspapers I read, and my "reflections" on the KMT-Communist issue and the current Moscow conference.

I assure him that I am not interested in politics and have nothing to reflect upon.

"That's bad," he chides me, "everyone should be alert to the vicissitudes of the state. How can you be so frivolous regarding the state of national affairs?"

The Wrong Bird

The man has probably become aware that they have caught the wrong bird, yet shows no signs of releasing me. While traveling in the taxi my captors assured me that I would be released within two or three hours, but now it transpires that I am to stay for a number of days.

Personal Account Given Of Abductions Here

MISS Chang Lien-hua, a teacher in a YWCA night school, was one of the first persons to "disappear" in Shanghai when a wave of so-called "anti-Communist cleanup" abductions started in the early days of March. According to Chinese press reports the whereabouts of at least a part of the 80 or so persons who disappeared, have not been ascertained. As recently as April 9, the *Wen Wei Pao* carried a letter from some of the next of kin of the missing persons who demanded the immediate release of their relatives.

I am taken to a cell filled with dirt and emitting a most nasty odor. I refuse to enter and begin to cry and struggle, but a push sends me flying into the prison and the door is clamped tight.

That very evening, two other women join me. They are Misses Yang Yung and Chen Wei-wu, both of whom were deprived of their freedom in a mysterious manner similar to mine. We huddle under a thin quilt but the cement floor is hard and we shiver throughout the night.

The following midnight another woman in a fur coat is brought into the cell and sorrowfully and silently squats in a corner. She looks like an honest person and introduces herself as Mrs. Yao Yung-hsiang. Both she and her husband, she says, were yanked out of bed by plainclothesmen with drawn pistols and sporting certificates issued by the Garrison Headquarters. We want to talk, but realize that someone is hovering outside the window and we have to be content with gazing in sympathy at one another.

Three more persons—Misses Lo Ying, Wu Shiu-chen and Chao Hai-chen, join us next day. Miss Lo shows signs of beatings and she falls down crying to the floor.

At 11 p.m. we are taken upstairs for questioning.

I am questioned by a woman who begins by telling me that she is a repentant Communist "herself," and says that she is at present lecturing at the Fuh Tan University.

At first I fail to understand the import of her statement, but very soon I realize that she wants me to admit that I "also repent and am willing to leave the party." She adds that if I do as she wishes, she will protect me "in accordance with the law."

"I have told you that I am not Chang Li," I yell at her, "I am not a Communist. I have nothing to repent of and nothing to quit."

Hearing this she hastens to console me and promises that she will straigthen out my case if I am not "the person they want." Her last statement is the same gibberish I had heard on previous days.

Surrender Statement

On the night of March 11, a man named Huang Ming-kang, takes me upstairs and conducts a "friendly" interrogation. Although all his questions fail to transform me into a Communist, he asks me to write a "surrender statement." I am stunned.

"What kind of statement do you want me to write?"

"Oh, just say that you were formerly a Communist and then, having realized that Communism does not conform to the state of affairs in China, you wish to quit the party at the first chance you have. And now, taking the opportunity of the withdrawal of the Communist delegation from here, you voluntarily surrender to the authorities and decide to remedy your wrongs in the future," Mr. Huang instructs me. He then guarantees to send me home within five minutes of my "surrender."

I realize that having taken me for the wrong person they are now reluctant to admit their mistake and intend to lure me into a trap. I demand to know the crime for which I am held.

Taken To Soochow

Because I refuse to "surrender" I am taken to Soochow in the middle of the night of Dr. Sun Yat-sen's death anniversary. Twenty-four other young women and men are taken along in chains with me.

In Soochow, we are kept in a three-storied Chinese style building said to be especially prepared for the Communists. Seven women prisoners, including myself, are locked up in a room, while the male prisoners have their hands tied for the night in another part of the house.

Among the men is a young musician named Chong Fung. He was arrested on March 5, and the first question which stunned him was: "Why do you call yourself Chong Fung?"

His captors then slapped him down and shouted: "Don't you understand: Fung means red, and a Red is a Communist."

Thus Mr. Chong became a Communist and as such was forced to write the statements of repentance and surrender. Victims who declined to comply were tortured, with water being poured down their noses, being seated on "electric chairs," beaten on the "tiger stools," and had their brains wracked with towels and bamboo sticks.

Dr. Lu Tsi-ying showed signs of this torture for he grew thin and haggard and it was not expected that he would survive.

On top of physical tortures, mental maltreatment was added. We were forced to peruse the "Notes of President Chiang Kai-shek," his "Destiny of China," and a specially prepared "Book of Surrender Statements." Everyone was required to report on his readings and jot down his "reflections" in the book mar-

Road To Economic Self-Sufficiency Or Highway To Pauperization?

By T. Y. KOO

THERE are those who suggest that China should import only what they term the most necessary, the most essential commodities. Certain raw materials and a few semi-finished goods, they maintain, may be admitted, but imports of hundreds of items which may or may not be considered luxuries should be prohibited. Economic self-sufficiency apparently is the final goal.

Now, the fact is that prior to the war the economic problems of the world were gravely aggravated by the policies of autarchy, or economic self-sufficiency, pursued by totalitarian states. It seems that in China today many have forgotten—or want others to forget—the fallacies which underlie those policies and the consequences which follow if such principles are applied.

The state of mind from which autarchic ideas spring has a very ancient history. Primitive societies, before their first contacts with the outside world, were completely self-sufficient, but few persons who directly or indirectly applaud policies of self-sufficiency would be prepared to return to those conditions. Still, they want their country to be "capable of standing on its own feet."

German Ideal

This very simple statement of autarchic ideals, by the way, was not propounded yesterday, nor did it originate with China. It is quoted from a speech by Herr Adolf Hitler, delivered about 10 years ago to one of his sensational party congresses. In order not to depend on what they called "the greater or lesser goodwill of foreign powers," the Germans started to produce substitutes for hundreds of items, to exploit low-grade iron ores, to grow wheat in areas where climatic and soil conditions were far from favorable.

"Autarchy" is derived from the Greek, "autos" meaning "self," and "arkhe" meaning "rule." The original meaning of the word is despotism. It has come also to have the meaning of economic self-sufficiency. The close association of these two definitions is by no means accidental.

Experience has shown, however, that neither the political nor the economic policy implied by this word has achieved economic independence. The many consequences of attempted economic self-sufficiency, good or bad, fail to include immunity from world trade fluctuations. Neither has the policy influenced unemployment nor the real financial foundations of the countries concerned. The belief that the higher the degree of self-sufficiency, the stronger a country's economic stability, is fallacious. The secret of immunity from world trade cycles has not yet been discovered!

Total Failure

While the pursuit of self-sufficiency lowers the standard of living, even the most complicated system of credit expansion and rigid controls of both wages and prices failed in Germany and in Italy, to bring about economic independence. The question of world trade fluctuations is certainly a difficult and complicated one; while theories as to its solution diverge widely it is certain that the phenomenon will not disappear when nations decide to cut the world up into a number of more or less self-sufficient territories. On the contrary, the more logical solution would be to organize world trade itself.

If those in China—and elsewhere—who now preach further world trade restrictions and higher trade barriers, were to think logically, they would grasp the fact that if they are successful in persuading other people of the soundness of their ideas, world trade will come to a standstill. The stupidity of postulates such as "we are bound to restrict imports and to boost exports" should be obvious. The adoption of such policies by other peoples will no doubt generate fluctuations more damaging than those from which relief is sought. One might as well preach that while eating less we must try to get fatter.

Advocates of trade restrictions usually fail to analyze the essential character of their own national and the international structure of trade. They simply declare that they have no hostility to world trades as such. They say that unfortunately, circumstances force them to act as they do. But sober reflection upon the experiences of America during the depression and of the Axis autarchies would demonstrate that by separating a country economically from other countries one diminishes its buying power and lends to its pauperization.

---

gins. Whoever submitted the fullest report won release earlier.

After dinner the chief of the detention house lectures us but what he says is sheer nonsense and we don't understand a word.

After staying in our prison for several days, we begin to feel that if we stay any longer we shall eventually become real Communists.

I am in desperation, I want to shout and accuse, but our captors calmly walk around us, toting the most modern weapons and eavesdropping

If it was all a mistake, why don't they send me home?

Force Statement

On March 18, a man called Li Keng-shen forces me to write a "comprehensive self-statement" and tells me that my family is looking for me. Only by writing this statement will I be free.

"I am not Chang Li," I tell him flatly. "What should I surrender?"

"We don't care whether you are Chang Li or not. Our principle here is 'better to take the wrong person than to release the wrong one.' We cannot report the case to our superior without a statement."

He is serious and insistent. He quickly drafts my statement making me a Communist and saying that I am willing to leave the party.

In the afternoon of March 21 they send me to Shanghai aboard an express and thence to their ex-Avenue du Roi Albert office.

Told To "Forget It"

They instruct me on how to escape newsmen and moreover tell me to notify them whenever "suspicious elements" visit me. They also intimidate me, forbidding me to expose any of their cruel acts. In brief, they ask me to forget the whole affair.

However, I shall never forget what happened. I shall never forget the ferocious expression on their faces as they forced me into the taxi. I shall never forget the filthy cell. I shall never forget their forcing youths to assert that they are Communists and then to sign repentance statements.

I shall never forget all this, and hope that my compatriots and all righteous people throughout the world will likewise remember this. And I accuse the perpetrators of these acts!

STANDARD VACUUM OIL CO.

MOBILGAS—MOBILOIL

and

All other high quality petroleum products

Conservative Victory In Japanese Elections Foregone Conclusion

By ROBERT P. MARTIN

THE conservative victory in Japan's recent prefectural and local elections surprised no one who has observed Japanese political maneuverings during the past three months. It is almost a foregone conclusion that the two largest conservative parties—misnamed Liberal and Progressive—will control the Diet and the new House of Councillors, the upper house created by the new constitution to replace the old House of Peers, when returns from the national election are tabulated at the end of this month.

Chief supporters of Premier Yoshida's Liberal party are the farmers, fishermen, black market operators and construction contractors—those classes which profit most from the inflationary policies of the government. Inside this group and on the fringe are thousands of voters who have been convinced that Yoshida and General MacArthur are inseparable, intimate friends. These Japanese believe that the occupation has been less vexing because of this friendship.

Many Japanese also believe that their country will suffer less from the peace treaty and reparations if the MacArthur - Yoshida - Ishibashi axis remains intact.

Votes Bought En Bloc

Because of widespread discontent, chiefly in the urban areas, the Yoshida government found it expedient to "buy" blocs of votes with largess distributed on a lavish scale. The government disbursed 500,000,000 yen to between one and two million farmers last month in the form of retroactive increased payment for silk cocoons produced last year. Simultaneously the government announced increased prices for cocoons produced this year.

SCAP's Economic and Scientific section originally rejected the request for both increases but Yoshida took the issue to General MacArthur, after which the payments were approved.

Later in the month the occupation authorities approved the government's plan to grant bonuses totalling more than 2,000,000,000 yen to farmers who deliver rice on schedule to the government and exceed their quota. This subsidy was necessary solely because the government underestimated this year's rice crop and collection quota, thus precipitating the incipient food shortage. The only method of draining surplus rice into official channels rather than the black market was through payment of these subsidies. But the subsidies also meant votes from the farmers who are acutely conscious of their new riches.

The black market operators and government contractors are the Liberal party's strongest supporters. The government spent 38,000,000,000 yen on occupation projects with contractors reaping from 200 to 500 percent profit. The government has also resisted suggestions that these excess profits be heavily taxed and the black market destroyed through establishment of an efficient raw materials allocations system.

Old Jap Custom

Now these policies are paying off politically. The contractors and black marketeers are contributing munificently to the Liberal party's war chest. Some Japanese sources estimated that the party has collected 200,000,000 yen for the election campaigns.

These contributions are important in Japan where vote buying is customary. In the rural areas, tenants are given a few yen for their votes while farmers receive loans from the heavy-pursed candidates. Large landowners are entertained at lavish geisha parties.

Legally each candidate is permitted to spend only 50,000 yen on his campaign but most Japanese believed that any candidate for the Diet must spend 500,000 yen to win. Naturally the party with the most money —Yoshida's Liberal party—will have the best chance.

The Liberal Party's strongest opposition is the Social Democrats whose greatest strength is among labor and white collar groups which have been caught in the vicious cycle of inflation and rising prices induced by the government's economic policies.

But the socialists are split into the right and left wings. The rightists tend to compromise their socialistic principles, apparently believing that SCAP would not tolerate and Japan is not yet ripe for socialism. The left wing, on the other hand, clings to its ideology, vigorously resisting any suggestion toward accepting a coalition government with the conservative parties.

This split did incalculable harm to the socialists because they could not agree on candidates or where best to use their limited funds and organizing power.

MacArthur Intervenes

The socialists also suffered considerable loss of prestige and vote-garnering ability from two instances of direct intervention by General MacArthur in Japanese politics.

The first intervention, contrary to his previously announced intention, was his ban on the scheduled February 1 general strike. No one questions the necessity of preventing that strike, which would have paralyzed Japan. But the manner in which the strike was banned, the slashing, condemnatory phrases, and the fact that MacArthur did not place the blame for the strike squarely on the government, where it belonged, amply demonstrated what sections of Japanese society General MacArthur supported.

MacArthur compared the "small minority" of strikers to the minority which led Japan into war. That was deadly condemnation of labor and one which the political opportunists of the right, the very ones who are still sabotaging the occupation, used with telling political effect. The ban was interpreted by Japanese as disapproval of the Social Democrats who drew their greatest strength from the laboring classes.

MacArthur's second intervention was the declaration by Brigadier-General Courtney Whitney, Chief of SCAP's government section, that SCAP has "no objections" to the proposed revision of the basic election law. The Liberal party was attempting to push this through the Diet to assure a right wing victory in the election. The new law would have eliminated plural ballots in which voters elect several candidates and the large electoral districts which gave the minority parties opportunity to secure Diet seats, despite the Liberal party's control of local machines and the large funds at their disposal for vote buying.

Labor Moving To Left

The political future of Japan's labor movement may depend on the Diet elections late this month. Labor is moving swiftly to the left—so far that many occupation officials and most of the Japanese government leaders claim that labor is communist-dominated. This movement to the left is partially the result of MacArthur's policies toward labor, his refusal to force economic reforms on the government, and partially because the Communists and Socialists are providing militant leadership against a government which is viciously anti-labor and refuses to curb even the most blatant economic excesses.

Labor, however, still reminds one of a cocky street urchin, ragged, tough, afraid of cops but willing to fight even if it means taking a beating. Thirty-eight unions with membership of 5,800,000 workers have pooled their strength to form the new National Liaison Council of Labor Unions. It is the first evidence of labor's growing political consciousness.

Unions United

The new council unites for the first time the leftist-inclined Congress of Industrial Unions, the conservative Japan Federation of Labor and the moderate Congress of Labor. Hitherto the breach in labor's ranks has been almost as sharp as the split between the AFL and CIO in the U.S. But economic and political pressures are forcing the opposing groups to seek a modicum of practicing if not actual unity.

The Council has tried to raise 17,000,000 yen, by an assessment of three yen on each union member, to be used as a political fund. Recognizing that the rightwing Liberal

American Correspondent Expelled From Japan By SCAP's Order

By HUGH DEANE

(Special Correspondent, The China Weekly Review)

(Editor's Note: Correspondent David Conde is the author of the article on page 214, entitled Storm Warning In Japan, analyzing the recent developments in SCAP occupation policies.—Ed.)

Tokyo, March 29 (Airmail).

IN the most drastic action yet taken against a correspondent, David Conde, an American employed by *Reuter* and *International News Service*, has been expelled from Japan by order of General MacArthur's headquarters.

Conde was ordered to leave technically because he did not possess proper credentials. His application for credentials, made last July, was turned down early in March 1947 without explanation.

A request by the Tokyo Correspondents' Club that Conde be permitted to remain in Japan till after he had appealed to the State Department was turned down by the American authorities.

In January Conde published in the *St. Louis Post-Dispatch* a critical article about American censorship of the Japanese press. In February he published a critical analysis of the Korean minority problem in *Far Eastern Survey* (New York), organ of the Institute of Pacific Relations.

Early in March Conde obtained documentary evidence indicating that last July the occupation authorities authorized the Japanese police to reestablish "thought control" investigations.

Conde headed SCAP's Motion Picture Unit until last July when he went to work as a correspondent. He recently published in France an article alleging that Hollywood was maneuvering to gain control of the Japanese film industry.

---

and Progressive parties have already mobilized their funds and talents, the Council has drawn up a program somewhat similar to the Political Action Committee's pre-election campaign program in the U.S. The Council will generally support Social Democrat candidates for the Diet and House of Councillors. But it will also "screen" other candidates, supporting those which the Council believes are pro-labor.

Because of the shortage of funds, the Council will rely to a great extent on personal campaigning by unionists. An approved list of candidates will be sent to each union's branch office. Seasoned political leaders will give lectures to selected union members on the meaning of the election and the qualifications of various candidates. "Graduates" of these schools will "educate" each union member who will then be responsible for campaigning in his neighborhood for approved candidates.

Labor has no illusions that it can control the elections. But labor leaders believe they can help elect enough liberal-minded legislators—preferably socialists — to force changes in the government's economic policies. They want profiteering, black marketing, corruption and waste eliminated, and brakes set on inflation. Only thus can they attain their economic aims now that the free use of strikes has been tacitly forbidden by SCAP.

Communists Far Behind

When I left Japan early this month indications were that the Liberal-Progressive alliance would collect from 220 to 250 seats in the Diet. The Social Democrats will probably get from 125 to 140 seats and the Communists approximately 10.

The end result may well be that the right-wing socialists will join the Liberal-Progressive coalition, possibly forming a new Conservative party. If this develops, it is not inconceivable that the left-wing Socialists and the Communists may unite in a "Popular Front" opposition.

Twilight Of Vice

VII.—FACTS AND FANCIES

By PAO YUE

ONE reason for the fanatical attachment of the opium addict to his drug is a belief in certain miraculous properties with which it is endowed by the credulous.

Apart from purely physiological benefits purportedly latent in the drug, such as instant relief from headache, toothache or stomach (which is true) and the cure or prevention of various incurable diseases (which is false), certain spiritual benefits are supposed to result from opium smoking. It is asserted that smoking clarifies and sharpens man's faculties, increasing his mental and spiritual sensitivity to the point of clairvoyance. Smokings is supposed so to uplift, soothe and inspire the smoker that he is able to penetrate the profound mysteries of life.

To the well seasoned pipe itself, many supernatural qualities are attributed. Pipes are esteemed in accordance with their age, the material of which they are made, and various individual peculiarities.

Pedigree And History

Each old opium pipe has its own pedigree and history—real or fictitious, which adds to its value in the eyes of the smoker. The best pipes are those made of bamboo. They must be well-seasoned, as evidenced by their external appearance and internal condition.

The newly-made pipe is light yellow in color. With age and use it acquires a smooth dark tan hue—the darker the older and better. Inside the good old pipe there must be a thick layer of the substance known as "lao-koh." This also is the result of age and the continuous accumulation of opium "juice." It is a sticky black tar which spreads itself evenly inside the pipe, hardening through years of use to form a pipe within the pipe. The amount of "lao-koh" determines the value of the pipe; the older the pipe, the heavier it is with hardened opium tar, and the stronger the effect of its smoking. The mellow pipe yields greater enjoyment and a fuller fragrance.

Fact And Fantasy

In opium pipes which are constantly used, the outer surface of the "lao-koh" is always damp and sticky, and it is believed to possess wonderful curative powers. If a little of this substance is promptly applied to a skin burn it is supposed to prevent blistering and pain and to facilitate healing. Taken internally, "lao-koh" is said to be effective in stopping diarrhea and intestinal pains.

Old pipes are often covered with silver or gold rings and ornaments; their extreme ends may be encased in ivory, translucent from long use, or in jade. The best pipes are very "easy on the draw" and make a resounding noise, for which reason they are sometimes called, "Mei Lan-fang," or "graceful and singing beautifully." Such pipes are very costly. Some varieties are covered with specially processed lemon pills which are believed to impart a sweet coolness to the smoke, while others entwined with dried seaweed are believed to keep snakes from the smoker's house. These and other fantastic notions all contribute to the captivation of the smoker's fancy, binding him more firmly to his habit.

STORM WARNINGS IN JAPAN

By DAVID CONDE

Tokyo, (By Mail).

FEBRUARY, 1947 in Japan was an important month for the future of Asia and of the world. In this cold and unspectacular 28-day period, the eighteenth month of the Japanese Occupation, certain events took place which indicate that Japan will retain her war-making potential, will regain her independence and overseas economic empire and once again begin her spiralled climb to a position of strength enabling her to challenge other powers.

Before the slogan "War Does Not Pay" had become really popular, Japan once again embarked on the familiar road that previously led to a war for the achievement of Greater East Asia Co-Prosperity. Once again the goal is markets and resources but this time they are to be attained "democratically and peacefully." Unfortunately, the men who are guiding Japan so cleverly today are the same old crowd whose actions so recently caused air-raid wardens to tremble at their drills in San Francisco and Seattle.

The month's historical landmarks are not like the previously recorded sensational "renunciation" of godhood on the part of Hirohito, nor the acceptance of an American-written Japanese Constitution by facile puppets in an Imperial Diet. Nor do they compare with the powerful directives issued by SCAP which "smashed" the Zaibatsu and State Shinto, while at the same time permitting the largest of the Zaibatsu—Mitsui, Mitsubishi and others—to borrow billions of yen from Mitsui and Mitsubishi banks for reconstruction, and approving the private financing of Shinto Emperor worship from swollen war profits. Nor are they like the sweeping purges of war criminals conducted by war criminals.

February's 10 Events

The 10 events which made February stand out and symbolically foretold the approaching Ides of March are:

(1) Feb. 1. General MacArthur bans the "General Strike" of 2,000,000 Government workers.

(2) Feb. 6. The Washington report (not published in Japan) that MacArthur is "pressing the War and State Departments to abandon the idea of Reparations."

(3) Feb. 7. General MacArthur writes a personal letter to Prime Minister Yoshida and in friendly fashion suggests a General Election. The letter is signed, "Douglas MacArthur."

(4) Feb. 17. Prime Minister Yoshida tells the Diet that Japan's interests will be respected in the writing of the Peace Treaty.

(5) Feb. 17. SCAP approves the Japanese Government plan to lend Yen 3,133,170,000 to 17 "restricted" firms —Mitsui, Misubishi, etc.— engaged in the production of chemical fertilizers.

(6) Feb. 18. The U.S. Reparations Advisory Committee, returning to America, state that their recommendations to the War and State Departments were "based on the level of industry to be left in Japan to sustain economy and pay for imports."

(7) Feb. 18. SCAP permits the allocation of loans to 8 'restricted' mining concerns— Mitsui, Mitsubishi, etc.—to the amount of Yen 193,800,000 for reconstruction.

(8) Feb. 20. SCAP's Foreign Trade Division proposes the establishment of a US$200,000,000 'revolving fund' from private or public American sources to finance Japanese foreign trade. The Foreign Trade Division proposes the repeal of the Trading With The Enemy Act prior to the writing of the Japanese Peace Treaty. The Chief of SCAP's Foreign Trade Division is in Washington for the purpose of "restoring Japan's private economy."

(9) Feb. 20. Japanese newspapers carry large advertisements placed by Japanese textile firms under the banner head: LET US BOOST EXPORT FROM JAPAN.

(10) Feb. 18. The President of the Far Eastern Council of Commerce and Industry told the World Trade Conference in Chicago, "The United States must not only win back our foreign trade position but must take leadership."

Observers here interpret these items as follows:

POLITICAL

The ill-advised action of General MacArthur in banning the "General Strike" gave ammunition to the left wing of the Japanese labor movement by seeming to illustrate the recent Occupation policy of favoring extremely conservative political and labor policies. Whereas SCAP previously had broken many strikes through "off the record" threats, this time Japanese labor refused to be further influenced by these methods. The Government Railway Workers were able to "smoke out" SCAP, forcing it openly to reveal its anti-labor position. To this extent Labor scored a victory.

This was the first time SCAP had said "No" to any large segment of the Japanese public and this fact also gave ammunition to all conservatives, including the rightist extremists who are expected to take advantage of this by demagogically blaming the continued miseries of the people on the Occupation Forces. Stimulus has been given to anti-foreign propaganda.

General MacArthur would have been less vulnerable to criticism had he enumerated the services deemed essential to the maintenance of the Occupation, and beyond that had let the normal play of social forces work out their solution. This might have meant that nearly all the proposed strikers could have been compelled to work but it would have been less antagonizing than the blanket denial of the strike weapon.

The political implications of this labor policy statement were recognized immediately. Within a week General MacArthur was moved to write his first personal letter to Prime Minister Yoshida, considered by the Japanese to be extremely conservative and closely connected with the Zaibatsu interests.

General MacArthur's letter began with the customary American salutation, "Dear Mr. Prime Minister," and concluded, "Very sincerely, Douglas MacArthur." The rank of the Supreme Commander was omitted and there was no hint of an order. Instead was a mild suggestion that "in the near future" a new Diet should be elected for the "effectuation of the new Constitution."

Japanese say this letter is worth 1,000,000 votes for Yoshida as it seemed to confirm that Yoshida has an inside track with SCAP and SCAP, it is known, has food to distribute.

SCAP gave no official version of this letter in Japanese and five different translations appeared in the newspapers. The Kyodo News Agency version distributed to most papers translated "dear" into "Shinai naru," a term used in Japan to address the closest of friends. In Nippon, where a display of affection is uncommon, this is considered a very endearing term.

The only explanation for the writing of this letter is that it was intended to recoup some of the loss suffered through the issuance of the strike ban. A new election is automatic prior to the enforcement of the New Constitution on May 3. The present Prime Minister and Cabinet members who were not elected to the Diet would not be able to serve under the new national law until they had received public sanction through election to the Diet. The election date, April 25, selected by the Cabinet as a result of General MacArthur's letter, is not much dif-

ferent than necessity would have dictated and it is only nine days prior to the effectuation of the Constitution.

By their nature, both the no-strike statement and the election letter made possible the by-passing of the Allied Council on these important matters.

The statement that Prime Minister Yoshida made to the recently convened House of Peers would seem to be based on some undisclosed assurances regarding the future. "The Japanese Peace Conference will not have a punitive character but will deal mostly with trade and the prevention of war. Japan's stand will be considerably respected," Yoshida told his eager listeners. The first sentence of this statement did not appear in any English version of the text distributed.

REPARATIONS

General MacArthur's reported recommendation to drop the whole question of reparations and the revised policy suggested by the U.S. Reparations Advisory Committee should be considered against the backdrop of the Pauley Report. This earlier report proposed the removal of a substantial portion of Japan's war making and surplus industry to repay in part for the destruction Japan visited upon her recent victims. Also to prevent Japan from ever again becoming a menace to world peace.

The Potsdam Declaration states that Japan shall not be permitted to retain those industries which would enable her to re-arm for war, and "until there is convincing proof that Japan's war-making power is destroyed, points in Japanese territory....shall be occupied."

The United States Post Surrender Policy for Japan, announced from the White House September 23, 1945 states: "The ultimate objectives are to insure that Japan will not again become a menace to the United States or to the peace and security of the world."

The United States Reparations Advisory Committee told the press before it left Japan, "it did not intend to be bound by the Pauley Report" and that its attitude was "a new departure." The Committee made clear that their approach to the question of reparations was not of eliminating war-making potential but of maintaining Japan's economy.

Mr. Clifford S. Strike, of F. H. McGraw Co., spokesman for the seven-man committee, hesitated to confirm that Japan would "regain her economic Empire," but did admit that because of price and proximity and familiarity with the Asiatic market, Japan would be dominant in her traditional trading area—Korea, Manchuria and China. Mr. Strike also confirmed that a chemical industry is a war-potential industry.

Correspondents could not check the United Press Washington dispatch that "General MacArthur was pressing the War and State Departments to abandon the idea of reparations," as this story was not published nor received in Japan at that time. Mr. Strike did say that certain recommendations for revisions in the Pauley report had "come from the field." Presumably the "field" meant SCAP.

Footnote To February Storm Warnings

A footnote to February Storm Warnings, which seems to confirm its analysis, is a statement made by General MacArthur on March 17, 1947.

Answering the question as to who would "protect" the Japanese after the Occupation forces withdraw, MacArthur said: "One method would be to backtrack and permit them to have a small military establishment."

FOREIGN TRADE

Sharp critics here say that behind these recommendations "from the field" is hidden the whole story of the reversal in SCAP's policy toward the weakening of the Zaibatsu—the 14 economic royalists who control 70 percent of Japanese economy and which SCAP long ago decreed destroyed.

The stories of SCAP approving loans to Zaibatsu chemical and mining industries preface the February 20 dispatch that SCAP urges a US$200,000,000 loan from American sources toward the end of "restoring Japan's private economy."

This contrasts with the State Department announcement of March 24, 1946: "No financial aid has been or will be provided by us for the rebuilding of Japanese facilities for producing exports."

The United States Post-Surrender Policy for Japan, of September 23, 1945 states, "The plight of Japan is the direct outcome of its own behavior and the Allies will not undertake the burden of repairing the damage."

American financing of goods "Made in Japan" does seem ironic but within the new concept of "Forget Pearl Harbor" it is justifiable.

The advertisements organized under the heading, LET US BOOST EXPORT FROM JAPAN, appearing in the *Nippon Times*, the semi-official Foreign Office newspaper, indicate the timing and intensity of the pressure campaign promoted by Japanese industrialist-governmental circles.

All agree that the world needs cotton textiles, particularly Asia, Japan's traditional trading area and there is no doubt that the advertisers, The Toyo Cotton Spinning Co., Kurashiki Cotton Spinning Co., Kanegafuchi Spinning Co. and the Fuji Spinning Co. can supply much of this need. The hundreds of "restricted" sudsidiaries of these four cotton mills indicate they can satisfy additional demands.

The Toyo Cotton Co. subsidiaries total almost 100 firms, producing products as diversified as cereals, ships, aircraft, chemicals, machine tools and electric motors. One subsidiary is the South Sea Bag Co.

Toyo Cotton Spinning Co. is itself a subsidiary of Mitsui, Japan's largest Zaibatsu.

LET US BOOST EXPORT FROM JAPAN

Regarding American exports, Mr. Arthur B. Foye, President of the Far East-America Council of Commerce and Industry states, "The United States must not only win back our former trade position (in Asia) but must take leadership."

A State Department spokesman recently said that the United States favors Japan regaining her "traditional markets."

Between these two viewpoints there is room for argument.

A reading of a modern history of Asia shows that foreign trade has led to investment in Asiatic countries, to foreign-owned plants, to troops to protect those "interests," to skirmishes, "incidents," undeclared war and finally to WAR.

LET US BOOST EXPORT FROM JAPAN

A very prominent Briton in Tokyo recently said, "It is not yet clear whether Japan won the war, but she certainly has not lost it."

Decisions and recommendations made in Japan by SCAP seem to be shaping American relations with Asia and the entire world.

Professor Kenneth Colegrove of Northwestern University, who "came to Japan to help draft the new Constitution" is quoted in the carefully censored *Stars and Stripes*, of February 23, published in Tokyo for the Armed Forces, as saying; "In April of 1946 General MacArthur made the first determined resistance against the appeasement of the aggressive Soviet which sought to dominate the Allied Council in Tokyo. The success of his resistance had far-reaching repercussions and eventually led to a right-about-face on the United States part toward Russian aggression in both Europe and Asia."

Once our policy was that Japan must be weak so that she would never menace us, now it seems our policy is that she must be strong so that she will menace someone else.

Observers point out that Hitler was similarly created to menace Russia but....

LET US BOOST EXPORT FROM JAPAN.

EAT AT

Jimmy's

133 Nanking Road

Shanghai

Branch 11-3 Rue Montauban

Jap Automatic Weapons, Grenades Used By Reds In Hsin Ho Raid

By MAJOR JAMES G. BRADY

Public Information Section, Headquarters, First Marine Division (Reinforced), Tientsin.

Tientsin, April 10.

ALTHOUGH striking in a surprising, well-coordinated moonlight attack with superior numbers, at the First Marine Division Ammunition Supply Point, Hsin Ho, Communist forces early last Saturday morning received far more casualties than did the greatly outnumbered defenders—the United States Marines.

Six dead were left behind by the withdrawing attackers after the aggression subsided shortly before dawn. All of the Marine fatalities were sustained during the first few minutes of the fighting—they were either killed on post or died going to the assistance of those casualties occasioned by the initial burst of hostile fire.

Blood stains around the perimeter of the ASF would indicate that from 50 to 60 dead or wounded attackers had been carried off when the Communists withdrew before dawn, in a northerly direction.

Initial Assault

Marines first to realize that the supply point was being attacked were the sentries on post on the assaulted side of the triangular shaped dump. Word of the attack was then phoned to the First Battalion, Fifth Marines Command Post at Tangku.

Among the men best qualified to reveal an account of the initial phase of the three-pronged assault were Pfc. Peter H. Stankiewicz and Pfc. Jacob P. Jereb, who were on adjoining posts when 300 of the raiders, within a front of approximately one and one-half miles, stormed the Ammunition Supply Point.

Stankiewicz was on post when the attack began. The initial warning was the sound of snipping of the barbedwire surrounding the ASF.

Corporal Fred L. Harrington, who had just been relieved from the eight to 12 watch, and who was "in the sack" when hostilities began, took charge of eight Marines to reinforce the men on post. As Communist forces breached the barbedwire and surged into the dump, Harrington was hit and felled. The attackers halted long enough to take from Harrington his wrist watch, rifle, ammunition, money and practically everything of value in his pockets. Although he was conscious at the time, the Corporal's feigned death passed undetected. On attempting to return to the Command Post at the dump his movements precipitated more hostile fire and resulted in a second wound.

Ambush Effected

Rushing reinforcements from Tangku in a convoy of one tank, one jeep and two six-by-six's to the Ammunition Supply Point were Captain Henry V. Joslin, Commanding Officer, "C" Company, First Battalion, Fifth Marines and First Lieutenant Mildridge C. Mangum, Executive Officer of "Charley" Company.

Three electrically controlled land mines halted these reinforcements at a point approximately one mile from the ammunition dump, and then the second surprise element of the attack, an ambushing group consisting of about 50 men, waylaid the convoy.

Lieutenant Mangum, who is now in the First Marine Division Field Hospital recovering from wounds sustained in the ambush, describing the unexpected attack, states, "I was riding in the jeep about 10 yards behind the lead vehicle, the tank, when three simultaneous explosions occurred. This happened shortly after we passed through the village of Hsin Ho.

"The mines flipped up the rear end of the tank. Immediately the driver of my jeep slammed on the brakes and we found ourselves nettled with automatic fire. I was hit with the first burst of fire."

Considering that the Communists were afforded ideal cover from which to fire, an irrigation ditch 40 yards from where the convoy was halted in this phase of the attack, it is hard to understand how no Marines were killed in the ambush—eight Marines were wounded.

Approach Selected

Captain Joslin led the reinforcements to the ASP, leaving 23 men to protect the wounded, with the disabled Lieutenant Mangum in charge to combat the ambushing party.

Of the men left with the wounded only two Marines, both senior noncommissioned officers, had seen combat in World War II.

After having been pinned down in 30 minutes of intense automatic fire and grenades, the Marines succeeded in obtaining a .30 caliber machine gun from the disabled tank, setting it in a position to bring fire to bear on the opposition. They also manned the .50 caliber machine gun from the tank which was too wrought with fire to employ its weapons initially.

Having secured good firing positions, the remaining constituents who were ambushed succeeded in bringing about the retreat of the attacking element.

Ammunition Blasts

After the ambush was well in progress the raiding force succeeded in exploding two large concentrated stores of ammunition, the shocks of which were felt within a 30-mile radius.

Wounded on post, having been hit with one of the first rounds fired in the attack, Pfc. Athol I. Clark, describing the explosions, said, "I saw a puff of smoke, a burst of flame and then felt the ground shake—it resembled pictures of the atomic bomb I had seen."

Lieutenant Colonel Theodore M. M. Sheffield, Commanding Officer, First Battalion, Fifth Marines, led his men in a chase after the Communists to a river bank until late Saturday afternoon, when the pursuit was abandoned.

Marines from the First Regiment in Tientsin were sent to Tangku, shortly after the attack was initiated, to aid the First Battalion, Fifth Marines in their pursuit of the withdrawing forces, but were not able to make contact with the assailants.

Grenades Mostly Duds

The aggressors were armed with Japanese automatic weapons and hand grenades of the potato masher type. These obviously home made and effective missiles proved to be duds in the majority of cases. Many of the grenades possessed eight to 10 second fuses, according to Marine participants in the incident. A number of Marines tossed back these grenades, originally thrown by the attackers.

VMC-3, commanded by Captain Jesse V. Booker, whose OY's operate from the Race Course in Tientsin, evacuated five patients from the scene of the fighting to the hospital in Tientsin. Three patients were hospitalized here by 8.30 o'clock the morning of the attack.

Fourteen of the 16 wounded were hospitalized in Tientsin, the two less severe cases remaining in Tangku.

Doctors Kenneth D. Rogers and Ira O. Pollock were instrumental in treating the wounded at the scene of the attack.

Little or no ammunition was carried off by the Communists during the raid.

雅 新

SUN YA

TELEPHONE 90080
719 NANKING ROAD

Shanghai's Most Popular CHINESE RESTAURANT

Hygienic Methods
Pre-War Quality
Pre-War Portions
Efficient Service

ENGLISH SPOKEN

TIENTSIN ROUNDUP

By S. E. SHIFRIN

(Special Correspondent, The China Weekly Review)

Tientsin, Apr. 10.

THE attack of a reportedly Communist unit on the First Marine Division's Ammunition Supply Point at Hsin Ho, near Tangku, brought a flock of correspondents in its wake. It was the second attack on the ammunition dump within six months, and the First Marine Division (Reinforced) suffered the heaviest casualties yet in any incident in North China, including the Anping affair. A day or so later an alert, which was not made public, was said to have been sounded at midnight at the Officers' Club here, but there was no follow-up.

The incident climaxed a series of security measures undertaken by the local Garrison Headquarters. Since March 5, curfew in this city has started at 11 p.m. instead of midnight. Effective March 22, the Haiho was also put under martial law and navigation allowed only between the hours of 5 a.m. and 7 p.m. Garrison Headquarters also announced that all convicted armed robbers and gunrunners will be executed.

Four deserters with robbery as a sideline have already paid the supreme penalty, but burglaries and robberies continue. The latest to be reported in the ex-British Concession was staged by two masked foreigners said to have been armed, early in the evening.

Tiff With Local Press

The latest Sino-American misunderstanding on record in North China came out during an interview with the wounded Marines arranged by the PRO of the First Marine Division, the first informal interview of this nature to be held since the Marines landed in North China. Not a single reporter of the local press was present.

The reason—during the sendoff given to General A. C. Gillem, passing through Tientsin, Marine MPs pushed some reporters while clearing the platform. After lodging a protest through the Tientsin Reporters' Association, the Chinese newsmen stayed put waiting for the demanded apology to come through. When it finally came from General Howard it was in the form of a letter of regret to the Mayor and members of his party and stated that after the investigation was completed action would be taken against the M.P. concerned.

When it reached the pages of the Chinese press it seemed to have grown a couple of sentences. From the space given to it in the Chinese press it seems likely, as this is being written, that no blood will be shed and this latest sample of Sino-American friction will somehow be lived down.

The plan put forward recently by some cereal merchants to import 2,000,000 bags of flour from abroad has been shelved for the time being, with the Nanking Government itself to import all necessary foodstuffs, this to continue at least until June. The plan seemed to have been aimed at providing Tientsin with a year's stockpile of wheat flour and making it independent of outside supply.

There was still some difference of opinion between grain merchants' and official estimates as to Tientsin's food supply. During an exclusive interview with your correspondent, Mayor Lieutenant-General Tu Chien-shih declared that Tientsin has stocks of foodstuffs sufficient for three to four months and that incoming foodstuffs exceed the estimated more than 30,000 tons consumed by Tientsinners monthly. The Mayor also declared that he hopes more flour from abroad can be imported but in case that is impossible Tientsin can manage to feed its population on Chinese foodstuffs.

This may have been an answer to those cereal merchants who continue to assert that the foodstuff situation is unfavorable, that stocks of wheat flour are very slight and that if no flour is imported Tientsin may feel the pinch before long. In an evident effort to keep down flour and cereal prices, responsible officials called the merchants to order, warning them of penalties for speculation in grains.

The dealers' viewpoint is that the increased price would hardly cover cost plus profit of new flour shipments. They have also been known to state privately that if the public should start stocking up in earnest, present stockpiles would not last very long. Meanwhile control over transportation of foodstuffs out of Tientsin has been tightened, and newsprint has finally made the list of commodities under control, for the movement of which outside city limits special permits are necessary.

Business Remains Bad

It is old news that business is bad in Tientsin, and that very likely could be said of most cities in China. Hardly any imports have been authorized and exporters are complaining that the high prices now prevailing make all trade impossible. One export item which was still being traded went up 40 percent within three weeks, putting it out of the Customs returns for the time being.

Prices have gone up and the cost of living index for January-March shows a 74 percent increase with the index at the end of March standing at 11,175 times the figure in 1937. The clothing group was highest with the index at 2,024,539 and the fuel and water group rose during March by 38 percent, with the index 17,468 times that of 1937. The second half of March showed drops of some items as compared with the first 15 days of the month, but the April figures again will show an increase.

Tientsin has had no stock exchange since V-J Day but stock transactions still take place. The shares of the Chee Hsin Cement Co. are considered to be traded in officially. Here is the record for the last few weeks:

February 28	$ 7,080
March 15	$ 9,010
April 2	$11,550
April 7	$15,280

After registering an increase of more than 100 percent during one month it is quoted at about $15,000. In general the volume of transactions has increased with sales of a company's shares doubling within a month, according to available figures of daily turnover.

Religious Sect Raided

At the end of March, police, led by Mr. Chen Chia-hsiang of the Bureau of Social Affairs, raided the meeting house of the Kuei I Chiao—All Embracing Religion—third and smallest of local religious sects said encouraged by the Japanese during the occupation. All pamphlets and group photographs of members were confiscated during the raid and the head of the Tientsin chapter was cautioned against resuming activities. With an estimated 800 members in Tientsin and another 5,000 to 6,000 in Peiping, Paoting and Tsinan, it promised its devotees, mainly women and peasants, immunity from war and misfortune.

Founder and head of the sect was a native of Shantung, 73-year-old white bearded Chang Shu-ling, whose present whereabouts are unknown. Chang was allegedly a friend of the Japanese Gendarmerie chief in wartime Tientsin. During ghostly writing seances held by him and announced by printed invitations he was proclaimed the incarnation of various figures of Chinese mythology. The sect's beliefs were a mixture of Buddhism and Taoism, with devotees photographed having Buddhist-type rosaries and some wearing Taoist-type topknots. Included was the rite of facing west and kowtowing daily—morning and evening. Initiates advanced their standing by increasing the number of kowtows, with the record held by a man who allegedly managed to achieve 4,000 kowtows in a single day.

TEA DANCE

(With Floor Show)

EVERY SATURDAY
AND SUNDAY
14TH FLOOR

PARK HOTEL

Transportation Plays Important Role In Yunnan Province

By PETER S. W. WANG

(Special Correspondent, The China Weekly Review)

Kunming (By Air Mail.)

IF it weren't for "dead-head" passengers, most of whom are soldiers, gendarmes and policemen, who insist that they are entitled to free rides despite the official notification of the Yunnan Garrison Headquarters pasted on every bus prohibiting same, the bus company operated by the Yunnan Provincial Highway Administration could make money. As it is, with "deadheads" making up roughly 25 percent of the bus passengers the company is operating "in the red."

Your correspondent once saw two soldiers involved in an argument with a girl ticket clerk. When she insisted on their buying their tickets as other mortals were doing, they inquired:

"Do you know who we are? We have the right to travel free in this bus."

The girl pointed to the order of the Garrison Headquarters which stipulated that soldiers, gendarmes and policemen were not excluded from payment of fare. They answered roughly:

"We don't care about that."

At this point the ticket clerk did not insist, for she no doubt remembered the bloody fight which occurred between another girl clerk and some ticket collectors, and a bunch of policemen last year. The "minions of the law" refused to purchase tickets and, as a result, some of the ticket collectors were painfully injured.

Operating Costs High

Owing to the increased costs of operation, the company finds that it has to spend CNC$2,000 per mile in town, and CNC$1,500 per mile in outside areas. Twenty buses, making 11 or 12 round trips daily, will carry a total of between 1,680 and 2,400 passengers. Under these conditions, the income of the company comes to only CNC$1,500 and CNC$1,000 per mile in town and in outside areas, respectively. The loss incurred from passenger traffic is substantial and only the carriage of cargo makes up for the deficit.

During the war, which served as a stimulant, Yunnan, the so-called mountainous province, progressed in many respects, and not least among them was transportation.

At the end of 1940, Kunming was in grave danger of Japanese bombing. To facilitate the evacuation of the populace, the Yunnan Provincial Highway Administration inaugurated a line serviced by a few buses, in conformity with an order of General Lung Yun, the then governor of the province.

First Buses Arrive

At the beginning of 1941, a Shanghailander, an old hand in the bus business, fled from Shanghai taking with him two busses. These were the first busses to arrive in Kunming.

There he established the Kunming Bus Company under the YPHA, with more than 10 busses, which serviced not only the suburbs of the city but also some of the neighboring hsien.

Another company, the Kunming Bus Company was later set up by a few high ranking officers, with a large capital investment. It began functioning in 1943 and added 10 additional busses in the city and its environs.

In August, 1945, the United States Army Supply Service Headquarters presented the Administration with 10 units—modern, comfortable busses, each with 30 cushioned seats and all pertinent appliances.

Costs Increasing

Originally, the passengers were charged CNC$200 for three stops or less, CNC$300 for more than three stops, and CNC$600 for a trip around the city. In December, 1946, the price was raised to CNC$300 for three stops and CNC$400 for six stops.

The busses run from 7 a.m. until 9:30 p.m. at frequent intervals, and are mostly overcrowded. In spite of this, the bus service is of great convenience to the citizens of Kunming. People prefer the bus to the ricksha because it travels faster and is decidedly cheaper. This has cut down the number of rickshas and it said that there are now only 40 percent of the rickshas which operated in the city before the inception of bus service.

Once the bus company was firmly established, T. Y. Loung, the Commissioner of Reconstruction, enlarged its capital by CNC$700,000,000, invested by banking and commercial circles interested in developing the transportation of goods in the province and aiding passenger traffic.

Company Reorganized

Last July, the company was reorganized into the Yunnan Motor Transportation Corporation, Ltd., and an additional 150 cars and trucks were purchased from the Chinese Supply Service Headquarters in Kunming. Branch offices were established in various commercial ports of southwest China such as Kweiyang, capital of Kweichow, Changsha, capital of Hunan, Wuchow and Liuchow, both seaports in Kwangsi, and in all the hsien along the Yunnan communication lines.

On every 12th moon before the Lunar New Year, without exception, prices of daily necessities rise, in particular that of salt. The Yunnan Salt Administration of the Ministry of Finance signed a contract with the transportation company to carry thousands of catties of salt from the salt bearing areas, located about 200 miles from Kunming, with the result that salt prices in the city nowadays remain stable, while most other prices skyrocketed recently owing mainly due to lack of transportation.

In line with its export policy, the corporation is planning to extend its business into Burma as soon as the Yunnan-Burma road is reopened. Tin, tung oil, bristles, and many other Yunnan products will again take their place in foreign markets.

No Bed Of Roses

One of the members of the enterprise with whom I discussed wages, shook his head and said:

"In the eyes of the civil service we are working for a so-called 'productive enterprise' and it follows that our lives should be a bed of roses. On the contrary, our wages are lower than those of any other civil servants. For example, a man employed by the Government with a basic pay rate of CNC$150 will receive CNC$141,000 per month, according to last December's formula: basic pay, times 440, plus CNC$75,000 in the form of a subsidy or allowance. If figured according to the rate recently ordered but not yet in effect—basic pay times 750, plus CNC$110,000—he will get CNC$225,000 per month. We, in the transportation business, however, with equal basic pay will receive only CNC$112,864, as our wages are computed on the formula of basic pay, times 160, plus CNC$75,000 subsidy, plus four Sundays' extra pay of CNC$12,864. This is one of the reasons why the girl ticket clerks went on strike on the eve of the Lunar New Year."

He added: "The manager knows where the shoe pinches. He has started to use charcoal instead of expensive gasoline, as most busses have special appliances designed in wartime for burning charcoal. He may be able to do something in the near future."

Roads Being Repaired

To construct a modern, "beautiful" Kunming has been our hope for a long time. Perhaps the repaving of Chen I Road, the stony, ankle-twisting main street, is the first step which was made last February. The budget provides for CNC$200,000,000, of which 70 percent will be collected from the property owners along the road, and 30 percent paid by the municipal government.

It is also reported, however, that another 20 percent will be collected from the transport corporation, which already pays a monthly highway tax of CNC$900,000. This is a glaring example of "killing the goose that lays the golden eggs," currently the government policy towards industrial projects and public utilities.

No Enthusiasm For Treasury Notes, Bonds; Commodity Prices Up

LITTLE enthusiasm was shown by local business circles for the purchase of the newly issued 36th Year Treasury Notes and Government Bonds, and this resulted in idle capital being chaneled toward the buying of stocks and shares, as well as commodities. Both the financial and commodity markets ruled very firm, as a result.

Reports are current that black market in gold and U.S. dollar notes has been revived once again and that the local police are keeping a close watch on the situation. Such quotations were reported to be far above the official rates. It reportedly was due to this trend that goldsmith shops suspended business on April 14 fearing that their limited stocks of gold would soon be exhausted.

The Shanghai Securities Exchange has been so far the most active market for speculation. Quotations for both Chinese and foreign stocks, especially the latter, climbed to new highs during the past week because of reports of trading in foreign stocks in Hongkong and the distribution of bonus shares by the various concerns. Wing On Textiles, quoted some time ago around CNC$2,200, soared to CNC$3,600 on Monday, while Mayar Silk rose to CNC$12,000. Ewo Cotton, which was quoted around CNC$18,000 three weeks ago, was over CNC$40,000.

Rice Price Up

Rice prices remained firm during the week, being quoted around CNC$140,000 per picul, the new official price fixed by the authorities. Although it was announced that large quantities of the best grade rice would be sold below CNC$140,000 in the local market as from April 14, prices thus far have failed to drop.

While it is true that the authorities have large stocks of rice on hand and that more will be imported from Southeast Asia, well-informed business circles do not expect any decrease in the price.

The official price of edible oil has been readjusted to CNC$350,000 per picul.

The price of UNRRA raw cotton to be sold to local cotton mills has been reduced from CNC$750,000 to CNC$710,000 per picul (for spinning of 20 counts yarn) in an attempt to lower the cost of production of cotton yarn. It must be mentioned that the price of raw cotton in the local market has risen to CNC$1,500,000 per picul for best grade middling, and for native cotton to CNC$1,000,000. In addition, the Ministry of Economic Affairs has decided to grant the mills a subsidy of CNC$60,000 per picul of raw cotton, so that the actual amount to be paid by the mills is CNC$650,000 per picul.

If all the 200,000 bales of UNRRA raw cotton can be thus distributed to the mills, it is expected that the general advance in yarn prices may be halted. However, it remains to be seen whether UNRRA cotton can be smoothly supplied to the mills, as announced.

With raw cotton and cotton yarn up, prices of cotton cloth also increased.

Dragon Head 12-pound cotton cloth was quoted at CNC$220,000 per piece. Quotas for raw cotton import for the next season may be increased to US$60,000,000, according to a statement issued by Mayor K. C. Wu.

One of the many reasons for the large increases in cotton goods prices is the export of as much as CNC$80,000,000,000 worth of this commodity to the South Seas up to April 10. Recently, Tientsin, Hankow as well as Canton merchants were heavy buyers of cotton piece goods in Shanghai.

Price Hike General

As to other commodities, such as industrial chemicals, caustic soda, dyestuffs and newsprint, prices moved up in general. Although businessmen in the trade do not expect any drastic appreciation of prices, neither they do not believe that prices will drop substantially in the future. It must be noted that actual demand for commodities remains low because of the rapidly decreasing purchasing power of the people.

Although the black market interest rate is low—fluctuating between eight and 10 percent at present—financial circles expect a slight tightening of the money market. For many weeks, now government banks conducted payments through the Clearing House. However, with the exception of last Tuesday, when the government banks paid out CNC$3,300,000,000, these banks during the past week received, or rather recalled, CNC$32,100,000,000 through the Clearing House.

According to press reports, the Central Bank of China has bought U.S. dollar notes to the amount of US$10,000,000 since February 17. During the same period, the Bank received more than US$70,000,000 foreign exchange through the export of Chinese native products.

Chart Shows Jumps

The following table gives the quotations of some of the leading commodities in Shanghai for the last two Saturdays:—

	April 5 CNC$	April 12 CNC$
Bond C	12,700	15,600
Wing On Textile	2,540	3,410
Mayar Silk	10,100	11,880
Ewo Cotton	29,600	40,000
Rice	110,000	144,000
Wheat Flour	56,500	65,000
Peanut Oil	360,000	390,000
20's Yarn 3,900,000		4,800,000
12 lb. Cloth	176,000	185,000
Raw Silk 7,400,000		8,500,000
Artificial Silk 7,200,000		8,300,000
Ruby Queen Cigarettes	42,300	45,600
Koo Ban soap ...	211,000	223,000
My Dear matches	1,440,000	1,400,000
Newsprint	115,000	135,000

BUSINESS FOOT-NOTES

The Szechuen Provincial Government and a French banking group have signed a loan agreement for the construction of the Chengtu-Chungking Railway, the *Shang Pao* reports. Meanwhile, the *Sin Wan Pao* said that French interests were ready to invest in Chengtu for the setting up of a tramway company, and also for the operation of bus lines and the construction of waterworks in that city.

* * *

The National Government has decided to rename the Paracel Islands after the warships which first brought Chinese occupation troops to the islands to aid in the establishment of Chinese administrative authority there, *AP* reports from Nanking. Two islands of the group will bear the names of Yunghsing and Taiping and the Ministry of the Interior has been instructed to solemnize the renaming of the islands with an announcement to the public.

* * *

Representatives of an American concern accompanied by officials of the Kwangtung Provincial Reconstruction Commission left Canton for Nanking to obtain the approval of the Central Government for the development of Kwangtung's industry by the American firm, the *Wen Wei Pao* said. The American firm is reportedly ready to invest US$15,000,000 and has a Five Year Plan for the development of Whampoa harbor and shipyards, and the rubber, silk, glass and machine industries, the paper said.

Due to the financial stringency experienced by the Shanghai Municipal Government the franchise of the British owned US$4,000,000 Shanghai Electric Construction Company has been prolonged for another period of seven years, inasmuch as the municipal government is unable to purchase this enterprise. According to the contract in force, notice of expiry should have been served six months prior to October 10, 1947, that is, on or before April 10.

* * *

The United States has informed Britain, China and the USSR that 239 Japanese warships of destroyer size or less are available for equal distribution among the four Allied powers. SCAP has announced that 140 of these vessels are ready for delivery. According to a previous agreement among the four powers, Japanese warships larger than the specified size and submarines are to be destroyed.

* * *

Reports to the effect that the American Government is planning to expand the Japanese cotton textile industry to 4,000,000 spindles, compared with the earlier recommended ceiling of 3,000,000, have caused apprehension in American mill and export circles, *Reuter's* reports from New York. Observers point out that prior to the war Japan was able to meet her civilian demands and military needs and to flood the world market each year 2,500,000,000 yards of cheap textiles, with only 5,500,000 spindles.

NEWS OF THE WEEK

Government "Reorganization" Said Imminent; Fighting Confused

FOR the past several days it has been said that an agreement would finally be arrived at between the Kuomintang and the Social Democrats and Young China Party for the implementation of the so-called reorganization of the National Government. Prior to entering into any kind of agreement, representatives of the Young China Party maintained that they hesitate to participate in the Executive Yuan until a definite understanding has been reached with the KMT concerning the party's activities in the provincial, hsien and mayoral governments.

According to Nanking reports, the Social Democrats are supporting this claim of the Young China Party, but are not actively campaigning to achieve that end. As one observer put it, while the former have been limiting their discussions to purely theoretical points, the Young China Party has been trying to secure as many practical concessions from the governing party as possible.

Last week Minister of Information Peng Hsueh-pei, reviewing the military situation following the fall of Yenan, said: "Although the Communist troops inside the Great Wall may hope to recoil into the hilly regions of Shantung and Shansi, any attempt at a prolonged struggle will be impossible on account of communications difficulties, food shortages and the thin population of those areas."

The Communists, however, claimed that while Government troops maintained a temporary advantage in Shansi and Shensi, the Shantung situation was definitely in their favor. Reports on the fighting in Hopei, especially around the rail center of Shihchiachwang, 165 miles south of Peiping, tended to corroborate their assertions. *AP* said there was evidently an intensified Communist pressure on the rail center, and Government planes were evacuating the families of civil and military leaders, while reinforcements were being moved up. The report estimated that 100,000 Communists were "stabbing" at the important communications center.

Shihchiachwang is located at the intersection of the Peiping-Hankow and Tsingtao-Taiyuan railroads. At the same time, if the Reds were to break through from the areas of the present fighting in Shansi province —around the towns of Taning, Anyi and Chihsien, the "situation for the Nationalists in Shensi would become uneasy."

By midweek, the situation around Shihchiachwang became "secure for the time being, and the center shifted to southwestern Shansi where confused fighting was reported in 20 counties," according to *AP*.

In Chuwu, 170 miles south of Taiyuan, the Communists assault resulted in fires starting in the city, while the Reds were reported to have broken into Yungcheng, 327 miles southwest of Taiyuan. At the same time, Communist armies were reportedly storming three other cities in that area: Linfeng, Pucheng and Lungmen, 147,150 and 105 miles respectively southwest of Taiyuan. These reports failed to mention the fact that these cities are not so much around Taiyuan, as they are in the vicinity of the Lunghai Railway, and incidentally Sian and Tungkwan.

The Government claimed successes in South Shansi, but admitted that the military situation was serious along the Tatung-Puchow Railway. The Reds were attacking the towns of Yungo and Linchin as well as Wenhsi, Chuwo, Yangling and Puhsien, on the Tatung-Puchow railway. It must be noted that Chuwo and Wenhsi are both about 80 miles from the Loyang-Tungkwan section of the Lunghai railway. It would thus appear that while the Communists were suffering reverses in North Shensi, they were concentrating their attacks with the long-range view of severing communications along the vital Lunghai railway all the way from Loyang to Sian.

Fearing this, Government reserves are reported to be crossing the Yellow River just below Puchow (Yungtsi) "to rescue the beleaguered towns," as the *Hsin Min Pao* put it.

The fact that the Communists have also broken into Tsohyun, just south of Tatung, at the north end of the railway, appears to indicate that besides having as their objective the Lunghai line, the Communists are also attempting to immobilize the Tatung-Puchow line, which runs north-south at right angles to the Lunghai. If they succeed in achieving this purpose, Government troops which attacked the Yenan area would indeed find themselves in a quandary.

In North Shensi, the Government forces gained a number of successes by taking Suiteh and Mihchih, about 45 miles northeast of Yenan. Heavy fighting is in progress in that area.

A characteristically "confused" report from Nanking in midweek began by asserting that "In southern Shansi, Nationalist troops are claimed to be mopping up General Ho Lung's six or seven brigades in the area 20 miles northwest of Yungcheng." The report then said that Communist troops had captured Yunghohsien, and were attacking Yungcheng itself. Thus, it was practically impossible to determine who was conducting the "mopping up" operations in the area.

Chang Chun Named New Premier

AT a ceremony attended by the representatives of the KMT, the Democratic Socialists and the Young China Party, held at the Generalissimo's residence, Chang Chun, Governor of Szechuen, was "unanimously agreed upon as the next President of the Executive Yuan," a position temporarily occupied by Generalissimo Chiang, following T. V. Soong's resignation. The ceremony included the signing of a 12-point agreement on "coalition government." Meanwhile, Shen Chung-ju, Democratic League leader, told the *China Press* that it was "impossible" for the League to consider participation in the government "with gunfire raging throughout the country."

Fighting In Kiangsu

FIGHTING flared up in North Kiangsu this week when the Communists were reported to have started a drive from Szuhsien and Lingpi in Anhwei, in the vicinity of the Nanking-Hsuchow railway and the Hungtse Lake, into North Kiangsu. According to *AP*, one Communist detachment which "has been hiding out in the lake area—presumably following the pacification of North Kiangsu—is now attacking both Huaiyin and Huaian, strategic twin cities on the Grand Canal. The Reds reportedly took Kaochien, 23 miles southwest of Huaiyin, and Chiangpa, 20 miles southwest of Kaochien.

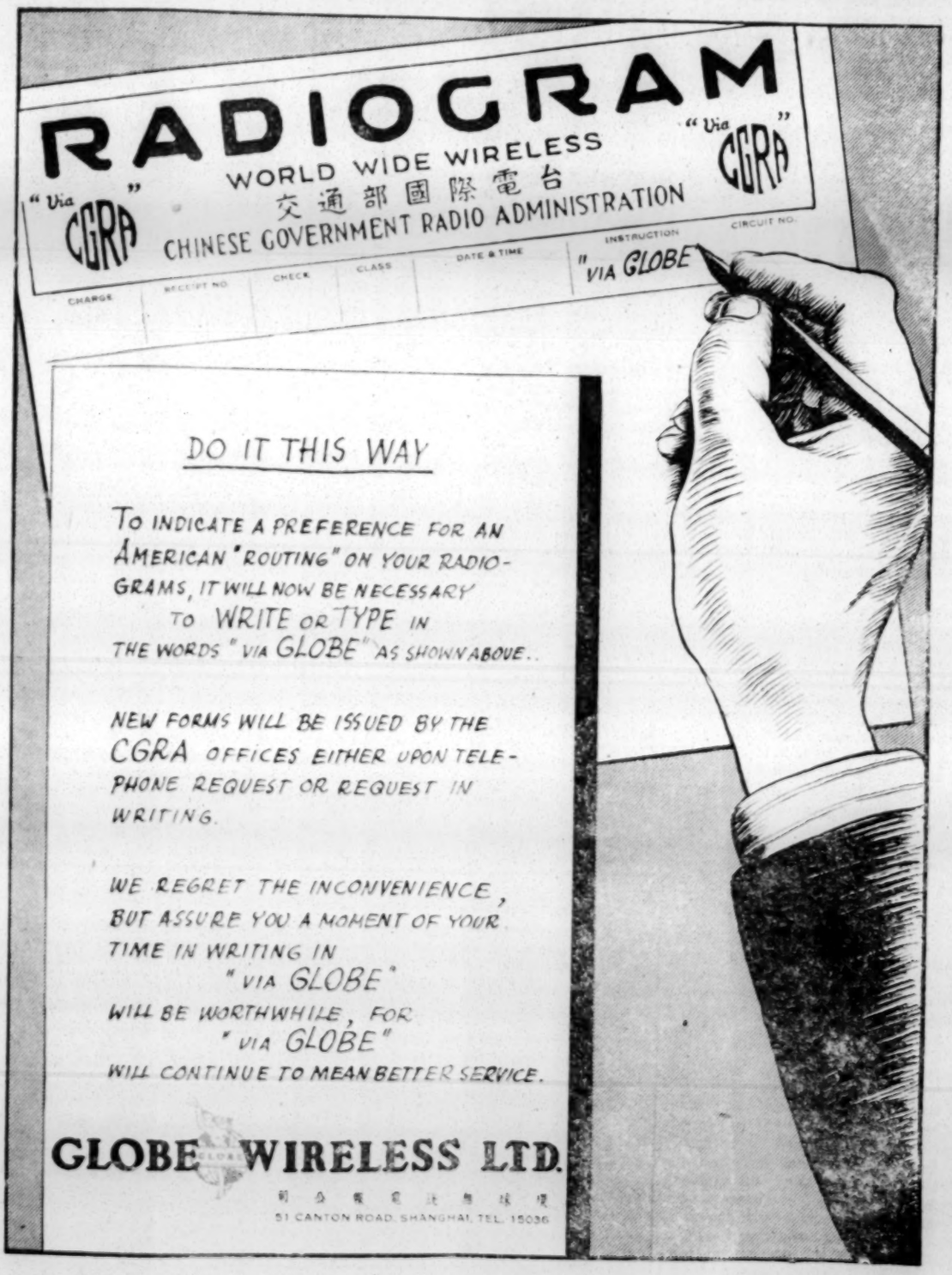
Further east towards the coast, the town of Fowning was threatened by the Reds. Further south, fighting began in the area of Tungtai, "where government troops began mopping up operations," according to *Central News*.

Another KMT Group?

LAST week reports were circulated that a "democratic group within the Kuomintang" held a political conference and issued a statement with regard to the current Moscow conference. This report was also broadcast by Moscow Radio, but the Foreign Office in Nanking promptly termed it "sheer propaganda."

The conference accused General George Marshall of helping the KMT in undermining the PCC agreements, of tolerating the persecution of democratic elements, and of praising the reactionary controlled National Assembly and the anti-democratic constitution.

"We call upon the Moscow conference to conduct an intensive investigation of the selfish policy of the United States in China since it assumed the role of mediator in China's civil war," the undersigned, "almost all KMT members who have worked for the true realization of the San Min Chu I for decades," demanded.


RADIOGRAM
"Via CGRA"
WORLD WIDE WIRELESS
交通部國際電台
CHINESE GOVERNMENT RADIO ADMINISTRATION
"Via CGRA"
CHARGE
RECEIPT NO.
CHECK
CLASS
DATE & TIME
INSTRUCTION
"VIA GLOBE"
CIRCUIT NO.
DO IT THIS WAY
TO INDICATE A PREFERENCE FOR AN AMERICAN "ROUTING" ON YOUR RADIOGRAMS, IT WILL NOW BE NECESSARY TO WRITE OR TYPE IN THE WORDS "VIA GLOBE" AS SHOWN ABOVE..
NEW FORMS WILL BE ISSUED BY THE CGRA OFFICES EITHER UPON TELEPHONE REQUEST OR REQUEST IN WRITING.
WE REGRET THE INCONVENIENCE, BUT ASSURE YOU A MOMENT OF YOUR TIME IN WRITING IN "VIA GLOBE" WILL BE WORTHWHILE, FOR "VIA GLOBE" WILL CONTINUE TO MEAN BETTER SERVICE.
GLOBE WIRELESS LTD.
環球無線電報公司
51 CANTON ROAD, SHANGHAI. TEL. 15036

What U.S. Papers Say . . .

INTEREST in the United States was particularly centered on the Japanese elections, which were for the most part taken as an endorsement of General MacArthur's policies. Opinion diverged as to whether or not they were an indication that Japan has learned the lesson of democracy.

The United States decision to go ahead with the distribution of some of Japan's reparations payments without awaiting international agreement on the subject, was favorably received by the press.

The international trade conference now taking place in Geneva was heartily approved by most of the leading papers.

* * *

JAPAN

MARKED interest has been aroused in U.S. journalistic circles by the elections taking place in Japan this month.

Extreme optimism was expressed by such papers as the *Pueblo Star Journal* (Colorado). "The first local elections held in Japan resulted in victories for the conservatives and indicate that the Japanese have caught on rapidly to the ways and means of democracy. Very few Communists or Socialists were able to wiggle through, but they may show more strength in national elections to be held in the future. The outcome is a testimonial to the leadership of General MacArthur. While it should be recognized that the Japanese are people who respect authority and will do almost anything their superiors tell them to do, it is not true that General MacArthur told them to vote conservative or for any other brand of politics."

Less exultant was the *New York Times:* "The victory of the conservatives in the election in Japanese prefectures (in which governors, mayors and village heads were chosen) illustrates once more the strength of tradition in Japan. It seems highly improbable that many of the officials chosen in the elections were men devoted to the ideals of democracy. A more reasonable supposition is that most of them are men of precisely the same type as those who held office before Pearl Harbor.

"It would be pleasant to believe that the changes made in the Japanese forms of government give assurance that a political miracle has come to pass and that an Oriental oligarchy has become a democracy in two years. But this would be a foolish assumption anywhere and is especially foolish in connection with Japan. There always has been a marked distinction between appearances and realities in Japanese government—a distinction that can be observed in any period of Japanese history centuries ago...."

Observing that many of the new governors elected were the same men who had filled the posts by appointment, the *Christian Science Monitor* remarked that "this is the first time they have held office as a result of popular election. It should prove a significant test to watch their growth in independence, conditioned in no small measure by the natural pride which any public servant gains from the knowledge that he was elected by constituents rather than appointed by a higher official."

* * *

REPARATIONS

MOST papers endorsed the American policy of making advance reparations from Japan, ending the deadlock which has blocked the whole program. The *Billings Gazette* (Montana) remarks: "It is unfortunate that full agreement could not be obtained on the reparations question, but further delay would have been more harmful to the interests of the Eastern powers than the precedent being established by the American action. Russia also has been given notice that delaying tactics will not be effective in controlling occupation policies in Japan."

According to the *Cleveland Plain Dealer* (Ohio): "While the carrying out of this directive will not stimulate Japanese production, at least it will provide some relief to the countries which suffered the heaviest damage during the war, and will serve as a warning to other countries that they had better pare down their claims."

* * *

I.T.O.

SEVERAL leading American papers emphasized the importance of the International Trade Organization meeting in Geneva. While the *Washington Star* and the *New York Times* discussed in some detail the international significance of the projected agreements, the *Baltimore Sun* also stressed its domestic implications: "Plainly a major weapon against the inflationary tendencies in our economy will be the addition of large volumes of imported goods to the inadequate volume of goods available here. In other words, we are up against a highly specialized version of the classical trade rule that those who lend and sell must be willing to buy.

"All our postwar planning, all postwar planning of the United Nations, has centered on the stimulation of this kind of interchange of goods among the nations of the world. The World Bank set up at Bretton Woods aimed to spark production of goods for export as well as for domestic consumption in all countries of the world. The Bretton Woods Monetary Fund aimed at straightening out money tangles so that goods could move freely from one currency to another. Now at Geneva, the floor of a trade agreement is to be moved into place, as it were, under the superstructure already available in the bank and fund."

The chairman of this group is Li Chi-sen (Li Chai-sum) at one time Inspector-General of Military Training and retired government official.

The local *Sin Min Wan Pao*, liberal journal, reported an internal dissension within the Democratic Socialist Party, one of the two minority parties which have agreed to participate in the National Government. "The participation of the party in the Government has now become a problem," the paper declared.

Wu Hsien-tze, vice-chairman of the party, whose name was submitted for the State Council without his consent, stated in Hongkong, that he was not interested in any government office.

Expenditures Cut

THE Executive Yuan issued a four point order restricting government appropriations for the various administrative offices. Included in the four points were the prohibition to request appropriations beyond the budget allowances, spending within the limits of the budget and the deposit of funds, both civil and military with Government banks. Loans from Government banks on securities were forbidden and if made would be considered as Government appropriations. The report said that the monthly deficit of the National treasury amounts to about CNC$800,000,000,000 and that stringent measures were required to stabilize the nation's economy.

Meanwhile, the local Municipal Government received orders from the Executive Yuan that salaries of workers and other wage earners, in particular in Shanghai and Nanking were not to be raised from the January index during the period of the enforcement of the emergency economic measures. Subsidies and allowances will be considered as wage boosts and are strictly prohibited. The announcement, utterly ignoring the speculatively rising commodity prices here, declared that the restraints on pay scales "primarily aim at curbing the mounting commodity prices."

J. R. Kaim, writing in the *China Press*, said: "While a general stabilization of the economic life in China was to be observed in March, matters have worsened in April. What is particularly embarrassing is the upward movement in food prices resulting in a further increase of the actual cost of living. Whether wages and salaries are frozen or whether only the COL index is frozen, consequences of such rapid price increases are obvious and need no further comment."

Foreign Affairs

NEGOTIATIONS for the Chinese-Philippine amity pact were successfully concluded in Baguio after two days of parleys. The final draft was sent to Nanking for approval. Simultaneous to this announcement, Immigration Commissioner Engracio Fabre said that 80 Chinese suspected of being Communists will be deported from the islands.

What Chinese Papers Say...

ADMINISTRATIVE reforms for Taiwan, Sino-Soviet relations in connection with the Moscow conference, and the military situation were some of the subjects commented upon by local Chinese papers last week.

• • •

TAIWAN

THE *Lih Pao*, official General Labor Union organ, commenting briefly, said that while it was asserted that the Communists were responsible for the Taiwan uprisings, it was evident that the Communists "could not have had any part in the disturbances." The paper advised interested circles to draw the necessary conclusions from the Taiwan incident for the future of KMT-Communist relations.

The KMT Army organ *Ho Ping Jih Pao*, "refuting" impartial reports of the rebellion, said that "many newspapers seem purposely to have stirred up ill feeling.....while some people have even given a false figure for the number of dead and wounded....or openly spread rumors that upon his arrival in Taiwan General Pai Chung-hsi issued orders that all newspaper offices there be forcibly closed down."

Another current rumor, the paper asserted, was that the Government had taken retaliatory measures against the natives. "It was not until one read General Pai's report before the weekly Sun Yat-sen memorial service of the National Government the other day that one learned the true facts of the case," the *Ho Ping Jih Pao* claimed.

"Let bygones be bygones," the paper suggested, but added that while reform in Taiwan is of importance "due respect must be shown to the laws of the State and to the good order of society.

"No one must lightly believe rumors, nor must anyone aid in spreading them," the Army paper concluded.

• • •

CHINA-USSR

PRIZE Sino-Soviet Relations was the title of an editorial on the subject in the *Sin Wan Pao*, KMT C.C. Clique organ. The paper said that the Chinese people have a "lot of feelings" after reading the document handed General Marshall by Vyacheslav Molotov.

The *Sin Wan Pao* said that although the "Soviet Union claims to have carried out the terms of the treaty, in reality, it has not lived up to the spirit of the treaty." This, the paper said, was shown by the fact that "it had not turned over to the civil and military personnel sent by the Government the areas which Soviet troops had evacuated...."

Soviet charges that U.S. troops in China are interfering in the internal affairs of the country "have been due entirely to the Soviet's misunderstanding. Naturally, we will not allow any foreign nation to interfere with our internal politics."

In conclusion, the paper assured the Soviets that "China will never become an anti-Soviet base."

On the other hand, the *Tung Nan Jih Pao*, conservative KMT organ, said on the same subject: "The presence of U.S. troops in China is a diplomatic question concerning China and the United States. Why should Soviet Russia have meddled in this matter?"

In extending a fairly large amount of aid to China, the U.S. only hopes that there will be a powerful stabilizing force in the Far East, the paper asserted. "We hope that Soviet Russia will live up to her promise of non-interference in China by first refraining from interference with the foreign aid which China may be able to obtain," the editorial said.

• • •

CIVIL WAR

IT is still unclear as to who is responsible for the rebellion, the *Ho Ping Jih Pao* stated and, answering its own query, declared that "we must no longer be so absurd as to consider a rebellion against the State and the people as a war between two nations or as a war between two political parties."

"The Kuomintang controls no troops at all," the KMT Army organ revealed.

"The armed forces of the Chinese Republic are all under the control of the National Government, and it is only the Communist Party which has illegal armed forces under its control," the paper explained.

• • •

TANGKU ATTACK

THE liberal-leftist *Wen Wei Pao* deplored the death of a number of American Marines in the Tangku incident last week. "However," the paper continued, "we cannot agree to the presence of American Marines in China. Moreover, we are very much afraid that if they remain in China, there is a possibility that further incidents similar to the Anping and Tangku clashes will occur.

"To speak frankly, what is the use of the presence of a few thousand Marines in China? They had better be withdrawn at an early date," the *Wen Wei Pao* said.

The cause for the attack, the paper declared, was apparently the Communists' need for equipment for their own "American equipped divisions, or to destroy the ammunition dump, which was the largest of its kind in China, so that it would not be turned over to Chinese Government troops later on."

Who's Who in China

LI SHAO-CHANG (better known as Shao Chang Lee), university professor; born at Chungshan, Kwangtung, July 4, 1891; graduated with honors, Canton Christian College (now Lingnan University), Canton, 1911; graduated with honors, Tsinghua College (now University), Peiping, 1913; Tsinghua Scholar in America, 1914-20; A.B., Yale University, 1917; A.M., Columbia University, U.S.A., 1918; married Nora Chioi Wong, graduate of Chin Kuang Normal School, Canton, and student at University of California; professor of Chinese History and Language, University of Hawaii, 1922-43; concurrently head, department of Oriental studies, same university, since 1930; Chinese delegate to World Educational Conference, 1924; delegate to 1925 and 1927 Conferences of the Institute of Pacific Relations; visiting professor, Lingnan University, Canton, 1935-36; special lecturer, Seminar on Far Eastern Studies, International House, Berkeley, California, 1937; visiting professor, University of California, Berkeley, summer 1939; Professor of Chinese Culture and Director of the Institute of Foreign Studies and of International Center, Michigan State College, East Lansing, Michigan, U.S.A.; member of following societies: American Oriental Society; American Academy of Political and Social Science; Hawaiian Historical Society; Honolulu Art Society; Royal Asiatic Society; Pi Kappa Phi (vice president, University of Hawaii Chapter, 1942-43); Pi Gamma Mu (president, Hawaii Chapter, 1939-40; Science Society of China (life member), Michigan Academy of Science; Member of following social and civil organizations: Hawaii Council, Institute of Pacific Relations (vice-president, 1935-37); Territorial Committee, Y.M.C.A., Hawaii, 1933-43; American Council, Institute of Pacific Relations; crossed Pacific 18 times, traveled in China from Canton to Harbin and from Shanghai to Sian, and in the United States, Japan, Korea and Philippine Islands, author: The Development of Chinese Culture, 1926; A Brief Interpretative Outline for the Study of Chinese Culture, 1927; Popular Buddhism in China, Shanghai, 1939; China, Ancient and Modern, University of Hawaii, 1940; Chinese Houses and Gardens, Honolulu, 1940; articles in the *China Monthly*, New York; address: 6 Faculty Row, Michigan State College, East Lansing, Michigan, U.S.A.

Li Shao-chang

(李紹昌字景周)

NEW BOOKS OF INTEREST

German Denouement

THE CURTAIN FALLS *by Count Folke Bernadotte. Published by Alfred A. Knopf, New York,* 1945. 155 *pp.*, US$3.25. *Reviewed by Marion Barney.*

FUTURE generations of historians are to be congratulated on this unique bit of source material. Few neutral and unimpeccable authorities have been permitted an intimate glance at Germany's tragic denouement.

As head of the Swedish Red Cross, Count Bernadotte went to Germany in February of 1945, in order to try to induce Himmler to allow all Danes and Norwegians in German concentration camps to be transported to Sweden for internment until the end of the war. During the course of his negotiations he was in and out of Germany, in contact with Himmler and other leading Nazis. Suddenly it was proposed that he carry an offer of surrender from Himmler to Eisenhower. In Stockholm, Bernadotte was probably the first Swede to learn of the surrender on May 7.

It was Bernadotte's firm conviction that Hitler was murdered by one or another of his satellites when the Fuehrer had degenerated to complete incompetence. According to Schellenberg, Himmler had been convinced of the necessity of such a deed, but it was not known whether he was responsible for its perpetration.

Count Bernadotte has apparently written in a straightforward fashion just what happened as he saw it, without embellishment. The epilogue is devoted to an analysis of the leading German personalities based upon Bernadotte's own impressions and upon the opinions of Brigadefuehrer Walter Schellenberg, chief of the German Information Service. The sum and substance of his conclusions are summarized in the following passage:

"....The myth of German invincibility must once and for all be destroyed. No more legends such as the 'stab in the back' must be countenanced. Secondly, the German people must be brought to see what kind of men the leaders of the Third Reich were. My experience tells me that they were men completely lacking in moral conceptions and human stature. In the final act there they were, with their hideous pasts, desperately intriguing among themselves, yet at the same time endeavoring to take shelter behind each other's backs, cowardly, undecided, irresolute.

"The final act of the drama of the Third Reich lacked any dignity or tragic quality. It was merely ignominious, because all the dramatis personnae were themselves ignominious and petty. They were not fighting for an ideal, a belief, a conviction: they were fighting merely for their lives, besmirched with crimes that could never be expiated."

Hungarian Nightmare

THAT ONE MISTAKE *by Ferenc Kormendi. Published by Philosophical Library, New York,* 1947. 308 *pp.*, US$3.00. *Reviewed by Marion Barney.*

THIS is a translation from the original Hungarian, and it is difficult to judge a book written in an unfamiliar literary tradition. My reaction was that it falls short of its aim. Intensely introspective and subjective, it seems at times a tempest in a teapot.

As a reflection of Hungarian society, it is extremely interesting. There is an atmosphere of a morbid lack of realism, a society entirely wrapped up in itself, divorced from outside interests.

The characters are introvert to the extent of being pathological. They seem to live almost entirely in their imaginations, which are slightly unhealthy. In many places the reader's credulity is strained—at least he is not adequately prepared for the curious turn of events. It is difficult to believe that an ugly girl could grow up in literal ignorance of the fact that she is ugly, no matter how carefully sheltered her life. Having digested that fact, the reader is more or less prepared to see her go off the deep end when she finds out.

The crescendo of the book, the violent and uncontrollable love affair between the hero and his wife's sister, also lacks conviction because the sister is practically unknown to the reader except as someone who is sometimes around. She lacks personality herself. I do not think it was the author's intention that she should be purely incidental, just the person who happened to come along; she is the great passion, the one and only, and yet she is a stranger to the reader. Only once before the hours that precede her death does the reader see into her mind. The latter passage is particularly well done.

But the worst shock of all is when the betrayed wife suddenly sees grace, after a veritable hate fest. There is absolutely nothing of a religious character in the book until suddenly, and quite literally, the lady sees the light of God in the branches of an ancient spruce and is purified. We leave her kneeling before a rustic statue of the madonna and child. She goes to China to become a missionary.

"That One Mistake" was in marrying the wrong one of two sisters; one is inclined to agree that such is a great mistake without a whole book being written to prove it. The main value of the book is in its portrayal of the morbid characters which result from a moribund social order. As the characters are not attractive, the reader feels very little emotional concern over their misfortunes. If the aim of this novel was similar to Dreiser's or Dostoievsky's, those writers were much more successful.

Runyon's Last

SHORT TAKES *by Damon Runyon. Published by Whittlesey House, McGraw-Hill Book Co., New York & London,* 1946. US$3.00, 435 *pp. Reviewed by S. E. Shifrin.*

RUNYON needs no introduction and should need none, at that. Admirers of Runyonese who missed his newspaper column through the misfortune of having been born or residing abroad, now have a chance to read the best of it. Now the self-styled Hessian of the typewriter is dead, this, I believe, was the last of his books published during his lifetime. He will write no more.

Beginners in English, adult and otherwise, are earnestly requested to try to get a line on Runyonese before venturing to cut the pages. When Our Old Man is holding forth on events in his home town of Pueblo, or Joe Turp chews the fat about his life with Ethel, or the adventures of Louie the Stock are detailed for the benefit of the kiddies, it might confuse some "gees" ("guys"—to you.)

Those who have never heard of Lindy's in New York will do so now. For the information of those weak on knowledge of toilers of the daily press Runyon was once America's ace sports reporter, and his reminiscences of sporting figures and just "sports" are included. His story of the funeral of President F. D. Roosevelt will also make vivid reading. In a reader of prominent contemporary men in the newspaper dodge Runyon would not be on the lam, and there are takers that he may yet be required reading for students in schools of journalism.

For Day To Day Coverage

of

The Chinese Press

Subscribe to The

DAILY TRANSLATION SERVICE

Up-to-the-minute coverage of Industrial, Commercial and Political News which does not appear in any other English-language publication. Read translations from today's Chinese newspapers today.

Special translations made of Documents, Speeches, Articles, etc. upon request.

TRANSLATION DEPARTMENT,

MILLARD PUBLISHING COMPANY

208/160 Chung Cheng Lu (E) Tel. 14772

Spring is here

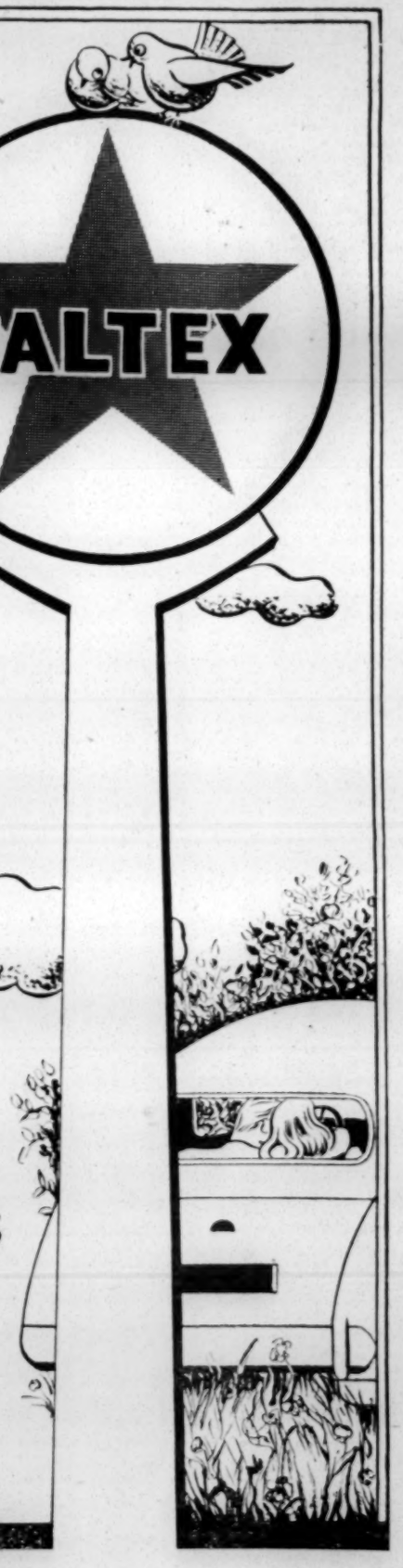
CALTEX

TIME TO GIVE YOUR
MOTOR
A GOOD SPRING CLEANING

★ *The wise Motorist*
WILL NOT BE SATISFIED WITH JUST CHANGING FROM A **WINTER OIL** TO A **SUMMER OIL** FOR COMING HIGHER TEMPERATURES.

★ *Drive to a*
CALTEX STATION FOR A COMPLETE **MARFAK** LUBRICATION JOB, TOO.

★ *It will pay dividends*



CALTEX SERVICE STATIONS

• 1052 BUBBLING WELL ROAD	TEL. 36361
• 786 AVENUE JOFFRE	TEL. 68936
• 363 AVE DU ROI ALBERT	TEL. 73673
• 668 AVENUE FOCH	TEL. 66075
• 240 HONAN ROAD	TEL. 14868
• 1861 RUE PROSPER PARIS	TEL. 68849
• 942 YU YUEN ROAD	— —

THE TEXAS CO. (CHINA) LTD.
WHEELOCK BLDG SHANGHAI

NANKING-SHANGHAI LINE

TIME TABLE

73	4	76	6	8	78	2	10	12	16	TRAIN NO.	1	5	15	7	71	3	9	11	75	77
"Tai Hu" Excur.	I, II Triumph Exp.	II, III Local	I, II III Exp.	I, II Exp.	II, III Local Exp.	I, II N'king Throu. Exp.	I, II III Night Exp.	I, II Night Exp.	I, II III Night Exp.	STATIONS	I, II H'chow Throu. Exp.	I, II III Exp.	I, II III Exp.	I, II Exp.	"Tai Hu" Excur.	I, II Triumph Exp.	I, II III Night Exp.	I, II Night Exp.	II, III Local	II, III Local Exp.
6.40	7.00	7.30	9.00	11.00	12.15	13.30	21.50	23.00	23.30	D SHANGHAI NORTH A	14.45	16.25	18.25	19.35	22.20	22.45	6.35	8.00	10 25	17.10
		8.55	10.16	12.14	13.48		23.27		0.56	D KUNSHAN D		15.24	17.09	18.22			5.28		8.34	16.05
	8.41	9.42	10.57	12.57	14.29	15.17	0.20	1.06	1.43	A D	13.06	14.33	16.23	17.36	20.31	21.06	4.39	5.39	7.10	15.19
8.31	8.48	9.49	11.08	13.04	14.36	15.26	0.27	1.13	1.55	D SOOCHOW A	12.59	14.19	16.17	17.23		20.58	4.32	5.19	7.04	15.09
9.25	9.36	10.45	11.54	13.55	15.35	16.14	1.22	2.08	2.50	A WUSIH D	12.11	13.24	15.14	16.29	19.35	20.10	3.39	4.26	6 00	14.10
	9.42		12.06	14.02		16.23	1.29	2.15	3.00	D A	12.04	13.18	15.08	16.21		20.03	3.33	4.19		
	10.31		12.59	15.03		17.09	2.27	3.13	4.05	A CHANGCHOW D	11.17	12.22	14.05	15.20		19.16	2.35	3.30		
	10.40		13.08	15.15		17.19	2.37	3.25	4.13	D A	11.06	12.09	13.55	15.08		19.06	2.24	3.20		
	11.38		14.00	16.13			3.56	4.29	5.16	A TANYANG D		11.09	12.41	14.05		18.12	1.07	2.03		
	11.41		14.03	16.17			4.00	4.33	5.20	D A		11.05	12.37	13.55		18.03	1.02	2.00		
	12.18		14.40	17.01		18.46	4.46	5.18	6.02	A CHINKIANG D	9.32	10.28	11.41	13.07		17.23	0.09	1.07		
	12.25		14.45	17.17		18.53	4.55	5.27	6.09	D WEST A	9.24	10.21	11.38	12.59		17.15	23.56	1.00		
	13.55		16.10	18.50		20.20	6.30	7.15	7.50	A NANKING D	8.00	9.00	10 00	11.00		15.45	22.00	23.00		

FARE LIST

STATIONS	Kilo.	I Class Ordinary Express		II Class Ordinary Express		III Class Ordinary Express		"Triumph" Express, Nanking & Hangchow Excursion Through Expresses I	"Triumph" Express, Nanking & Hangchow Excursion Through Expresses II	"Tai Hu" Excursion
SHANGHAI N. TO:–										
KUNSHAN	52	4,000.	10,000.	2,000.	5,000.	1,000.	2,500.			
SOOCHOW	87	8,000.	10,000.	4,000.	5,000.	2,000.	2,500.	19,500.	10,500.	20,000.
WUSIH	129	10,000.	12,000.	5,000.	6,000.	2,500.	3,000.	19,500.	10,500.	20,000.
CHANGCHOW	168	14,000.	16,000.	7,000.	8,000.	3,500.	4,000.	19,500.	10,500.	
TANYANG	213	16,000.	20,000.	8,000.	10,000.	4,000.	5,000.	30,000.	16,500.	
CHINKIANG WEST	243	18,000.	22,000.	9,000.	11,000.	4,500.	5,500.	30,000.	16,500.	
NANKING	312	24,000.	28,000.	12,000.	14,000.	6,000.	7,000.	30,000.	16,500.	

SHANGHAI-HANGCHOW LINE

TIME TABLE

23	21	61	67	25	1	41	27	TRAIN NO.	24	42	2	68	26	22	62	28
I, II III Exp.	West Lake Throu.	II, III Ord.	IV Mixed	I, II III Exp.	I, II H'chow Throu. Exp.	II, III Ord.	I, II III Exp.	STATIONS	I, II III Exp.	II, III Ord.	I, II N'king Throu Exp.	IV Mixed	I, II III Exp.	West Lake Excur.	II, III IV Ord.	I, II III Exp.
6.45	8.00	8.15		11.30	16.00	16.15	22.45	D SHANGHAI NORTH A	9.15	12.15	12.35		18.55	20.05	22.30	23.30
7.05	8.16	8.36	9.00	11.53	16.19	16.36	23.06	D SHANGHAI WEST D	8.58	11.55	12.20	17.20	18.37	19.49	22.13	23.12
7.49		9.46	10.29	12.38	17.03	17.46	23.50	A D	7.51	10.44	11.26	15.29	17.48		21.00	22.16
7.54		9.56	10.40	12.48	17.08	17.51	23.55	D SUNGKIANG A	7.47	10.38	11.21	15.22	17.39		20.54	22.11
9.02	10.02	11.40	12.50	13.50	18.16	19.23	1.06	A D	6.35	9.04	10.13	13.10	16.20	17.54	19.25	21.00
9.16	10.08	11.50	13.15	13.58	18.26	19.33	1.16	D KASHING A	6.28	8.55	10.04	12.45	16.11	17.47	19.12	20.50
10.00		12.33	14.52	14.32	19.01	20.16	1.50	D YEHZAH D	5.56	8.14	9.31	11.53	15.39		18.29	20.18
10.31		13.18	15.56	15.04	19.32	21.01	2.21	A CHANGAN- D	5.23	7.27	8.58	10.40	15.06		17.42	19.34
10.36		13.26	16.10	15.11	19.37	21.06	2.26	D TSENG A	5.19	7.22	8.54	10.27	15.02		17.37	19.27
11.30	11.55	14.45	18.10	16.20	20.30	22.20	3.25	A HANGCHOW D	4.25	6.10	8.00	8.30	14.00	16.00	16.25	18.25

FARE LIST

STATIONS	Kilo.	I Class Ordinary Express		II Class Ordinary Express		III Class Ordinary Express		"Triumph" Express, Nanking & Hangchow Excursion Through Expresses I	"Triumph" Express, Nanking & Hangchow Excursion Through Expresses II	"West Lake" Excursion
SHANGHAI N. TO:–										
SUNGKIANG	45	4,000.	10,000.	2,000.	5,000.	1,000.	2,500.	19,500.	10,500.	
KASHING	99	8,000.	10,000.	4,000.	5,000.	2,000.	2,500.	19,500.	10,500.	15,000.
YEHZAH	126	10,000.	12,000.	5,000.	6,000.	2,500.	3,000.	19,500.	10,500.	
CHANGANTSENG	151	12,000.	14,000.	6,000.	7,000.	3,000.	3,500.	19,500.	10,500.	
HANGCHOW	190	14,000.	18,000.	7,000.	9,000.	3,500.	4,500.	19,500.	10,500.	25,000.

NANKING-SHANGHAI RAILWAY SYSTEM ADMINISTRATION

Printed by THE MERCURY PRESS,